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Australia — 2.00 A\$ Italy — 1,700 Lire Oman — 2,000 Rb.
Belgium — 45 Bfr. Jordan — 450 Fds. Portugal — 200 Esc.
Canada — C\$ 1.50 Kuwait — 500 Rds. Saudi Arabia — 4.00 R.
Czechoslovakia — 160 Kcs. Lebanon — 150 L.L. Spain — 160 Ptas.
Denmark — 8.00 Dkr. Luxembourg — 40 Lfr. Sweden — 7.00 Skr.
Finland — 8.00 Fmk. Macedonia — 100 Den. Switzerland — 2.20 Sfr.
France — 6.50 Ffr. Morocco — 20 Dir. Taiwan — 2.50 Nts.
Germany — 2.00 D.M. Oman — 200 Rb. Turkey — 1.00 Lira
Greece — 160 Dr. Pakistan — 2.75 P. U.S. — 1.00 \$
Hong Kong — 7.00 HK\$ Venezuela — 200 Bs.
India — 175 Rs. Yugoslavia — 170 K.

Senate Restricts China Pact

Nuclear Trade Cast in Doubt By Amendment

By Joanne Orszag

WASHINGTON — The Senate voted unexpectedly to attach nuclear trade conditions to the nuclear trade agreement with China that is scheduled to be put into effect this week, casting doubt on whether the Chinese would stand by the pact.

Offered by Senator John Glenn, Ohio Democrat, the amendment would require the Chinese to agree to international atomic energy agency safeguards against the spread of nuclear weapons. A motion to kill the amendment failed on a 59-28 vote.

The Reagan administration said yesterday that the Senate action could damage relations between the United States and China and back progress toward nuclear proliferation. On Reuters reported from Washington.

The safeguards issue has been central to the controversy that has dogged the pact since it was initiated by President Ronald Reagan during his visit to Beijing in April 1984.

The agreement sets up the legal machinery with which the U.S. nuclear industry may bid for a share of the \$6 billion that China plans to spend on nuclear power-plant construction.

However, it relies mainly on verbal assurances from the Chinese



John Glenn

that nuclear proliferation will not occur.

The Reagan administration has opposed the imposition of new conditions on the accord.

The Senate Foreign Relations Committee approved the amendment last month after adding qualifying language putting the Chinese on notice that their use of U.S.-supplied materials would be closely monitored. Mr. Glenn said that was not enough.

"If we don't put safeguards into this arrangement with China," he told the Senate, "the United States will be sending a message that the international safeguards system is tougher than it needs to be. That message will be greeted with joy by countries like Iraq, Libya, South Africa and Pakistan." The four nations are thought to be developing nuclear weapons.

Senator Charles McC. Mathias Jr., a Maryland Republican, spoke at length against the amendment, which was considered on short notice. "I suspect this will be fatal to the proposal," he said. "I think the

(Continued on Page 2, Col. 7)

Oil Prices Drop \$2 In Sell-Off

Further Drop Expected After OPEC Accord

Compiled by Our Staff From Dispatches

LONDON — Crude oil prices fell sharply again Tuesday following an agreement by OPEC oil ministers to forsake their long-standing policy of maintaining oil prices through production curbs in favor of pursuing a "fair share" of the world market.

The statement, implying that the Organization of Petroleum Exporting Countries would sell oil at any price to hold or gain market share, triggered a frantic sell-off in world

oil markets as traders sought to protect themselves from the consequences of a price war.

In London, prices of North Sea oil, the principal competitor for the light crudes produced by OPEC, were down nearly \$2 a barrel late Tuesday, bringing the total decline since Monday's announcement to \$3 a barrel.

Cargoes of Britain's benchmark Brent crude for January loading were quoted in London late Tuesday at \$24.75 a barrel, down from Monday's close of \$26.50, while February contracts fell to \$23.85 from \$25.85.

Prices of the Middle East and U.S. grades also tumbled on the back of North Sea prices. On the New York Mercantile Exchange, prices on all crude contracts for future delivery dropped the daily

(Continued on Page 15, Col. 6)



Dr. Yevgeni Chazov, left, and Dr. Bernard Lown after receiving the Nobel Peace Prize.

Nobel Winners Urge Nuclear Test Ban

By William Drozdiak

Washington Post Service

OSLO — The Soviet and American co-chairmen of International Physicians for the Prevention of Nuclear War accepted Tuesday the Nobel Peace Prize and implored their governments to stop all nuclear explosions as an initial step toward ending the arms race.

"From this world podium we call upon the governments of the United States and the Soviet Union to agree to an immediate mutual moratorium on all nuclear explosions to remain in effect until a comprehensive test ban treaty is concluded," said Dr. Bernard Lown, pro-

essor of cardiology at the Harvard School of Public Health.

Dr. Yevgeni Chazov, who is a Moscow cardiologist and the Soviet deputy health minister, described a "prescription for survival." This included a mutual test ban, a freeze on the size of nuclear forces, a pledge by each superpower not to be the first nation to use nuclear weapons, and a halt to the development of space-based arms.

The eventual goal would be the elimination of nuclear weapons. Dr. Lown said that the 135,000 doctors and health professionals in the movement believed that the perpetuation of nuclear testing had "a central role in the development

of new, more sophisticated and more destabilizing weapons."

"A moratorium," he said, "is verifiable, free of risk to either party, simple in concept yet substantive, has wide public support and is conducive to even more dramatic breakthroughs."

The two doctors, who saved a Soviet journalist's life Monday by performing emergency treatment when the man suffered a heart attack at a news conference, received the Nobel Prize on Tuesday at a formal ceremony in the main hall at Oslo University.

Dr. Lown and Dr. Chazov co-founded the anti-nuclear group in

(Continued on Page 4, Col. 6)

Shultz Says PLO Must Alter Stand To Join Talks

By John M. Goshko

Washington Post Service

LONDON — George P. Shultz, the U.S. secretary of state, said Tuesday that the Palestine Liberation Organization "excludes itself as a player" in the Middle East peace process and cannot expect to gain international acceptance while it refuses to accept Israel's right to exist.

"The PLO is not entitled to any payment in advance so long as it rejects what are the basic premises of the peace process," Mr. Shultz said in a speech that focused on what he called "tactical differences" between the United States and its European allies over issues in such regions as the Middle East and Central America.

Emphasizing what he described as "the relationship between power and diplomacy," Mr. Shultz cited the U.S. refusal to deal with the PLO as an example of how the Reagan administration seeks to encourage negotiated settlements of disputes "by denying success to those who seek radical solutions."

"Unlike some of our European friends," he said, "we feel that gestures toward the PLO while it has not accepted United Nations Security Council resolutions guaranteeing Israel's right to exist 'only mislead its leaders into thinking their present inadequate policy is gaining them international acceptance and stature.'"

In his remarks to the Pilgrim Society, an organization dedicated to friendship between the United States and Britain, Mr. Shultz argued that willingness to negotiate fairly but from a position of strength is necessary "whether we speak of Israel, or our friends in Central America, or in Africa or Southwest or Southeast Asia."

He acknowledged that it is in applying this approach that "we and our European friends have occasionally had tactical differences."

Although he did not say so explicitly, Mr. Shultz implied that the Reagan administration plans to resume aid to guerrillas fighting the Marxist government in Angola and that it also may be preparing to ask Congress to lift the restraints on U.S. assistance to insurgents fighting the Nicaraguan government.

He said: "Sometimes help may be better given without open acknowledgment; covert action has been part of the arsenal of states since time immemorial, providing a means of influence short of outright confrontation. We should be prudent, realistic and always cognizant of the political dimension of the problem. Nevertheless, the factor of power is inescapable."

Earlier, during his flight here to begin a six-nation European visit, Mr. Shultz told journalists aboard his plane that he would not comment on administration plans for covert action in Angola or Nicaragua. But, using language that is regarded widely as a code for covert activities, he added: "Whatever we do in either place, we want to be effective."

Addressing another issue that has caused controversy in Europe, Mr. Shultz insisted that President Ronald Reagan's Strategic Defense Initiative, a research project on ways to intercept offensive missiles in outer space, is relevant to Western Europe's security.

Last week Britain became the first of the North Atlantic Treaty Organization allies to join the SDI research program, and Prime Minister Margaret Thatcher's decision to associate her government with the project has generated considerable dispute.

Calling SDI "a conceptual leap into the future," Mr. Shultz said that if it proves feasible, "it will rest defense policy on a kind of mutual assured security instead of mutual assured destruction."

"It can only enhance the credibility of America's pledge to risk its own safety on behalf of yours," he said.



George P. Shultz

U.S. Weighs \$30 Million For UNITA

By David B. Ottaway

Washington Post Service

WASHINGTON — The Reagan administration has tentatively decided to provide less than \$30 million as the first installment of a covert aid program for rebels fighting the Marxist regime in Angola, according to administration sources.

Disbursement of the aid, however, has been delayed until at least January because the State Department hopes to use the threat of U.S. backing for the rebels to pressure the Angolan government into negotiating the withdrawal of 35,000 Cuban troops in Angola as part of a peaceful settlement in southern Africa, the sources said.

Although a White House official indicated that no formal authorization of covert aid has been issued, other administration sources said an informal decision was reached at an inter-agency meeting in mid-November.

A source said the program would initially involve nonlethal aid followed by military assistance for the National Union for the Total Independence of Angola, known by the acronym UNITA and led by Jonas Savimbi.

This source said the Central Intelligence Agency had proposed providing an initial aid program of about \$15 million, half the \$30 million figure being discussed in administration circles, and a fraction of the \$200 million to \$300 million suggested by some officials.

Secretary of State George P. Shultz, according to congressional sources, has effectively lobbied to kill several congressional proposals for \$27 million in humanitarian assistance or in overt military aid.

Within the administration, Mr. Shultz also has blocked the last step in the inter-agency process leading to a formal presidential finding in favor of covert aid.

Mr. Shultz has used the threat of U.S. aid to UNITA to pressure the Angolan government into further concessions on a withdrawal timetable for the 35,000 Cuban troops stationed in Angola. That issue is central to U.S. strategy for breaking the impasse in negotiations for the independence of neighboring South African-administered Southwest Africa, or Namibia.

On Nov. 27-28, Assistant Secretary of State Chester A. Crocker met for the first time in five months with Angolan negotiators in Lusaka, Zambia. More U.S.-Angolan talks are planned, probably later this month.

Mr. Shultz is believed to be seeking South African and Angolan support for a de-escalation of the fighting in Angola.

West European Firms Looking to Japanese for Lessons in Competition

By Axel Krause

International Herald Tribune

BRUSSELS — Japan produces early 80 percent of the world's videocassette recorders, motorcycles and cameras, about half the world's ships and a third of its cars, automobiles and semiconductor electronic parts.

Japan continues to rebuff efforts

Second of two articles.

to open its markets fully to imports and investments from the West. Japan will see its merchandise trade surplus with the European Community rise this year to a record \$12 billion, roughly double the surplus five years ago.

Japan is stepping up foreign investments to circumvent growing trade barriers in Western Europe and the United States, and Japanese companies and banks are being warmly welcomed wherever they choose to move.

More and more, Europeans are asking: Can Japan be kept from always winning?

The answer is "yes," but an extremely qualified "yes" based on two factors.

First, businessmen, analysts and economists interviewed in recent weeks note that many of the advantages Japanese companies have traditionally enjoyed at home are eroding: low wages, an undervalued currency and strong protectionism.

Japanese wages have risen rapidly to the equivalent of \$9 an hour, and now are higher than wages in Britain and about equal to those in France. The yen has strengthened early 15 percent against the U.S. dollar and 4 percent against the Deutsche mark since August. Finally, there are signs that some of Japan's trade barriers are beginning to give way to Western pres-

sure, although they are by no means crumbling.

Second and more important, West European companies and governments are applying what one official terms "bootstrap methods" — learning to pull ourselves up. These methods are mainly drawn from Japan itself.

"We have looked at the Japanese experiment closely, and now we are hitting back at the Japanese by using Japanese methods," said Hans Tuijt, a senior official at Philips NV of the Netherlands, Western Europe's largest electronics company. "In our industry," he added simply, "we want to survive."

With increasing support from their governments and the European Commission, the executive branch of the EC, West European companies are becoming more competitive with Japan. Their aggressive corporate strategies include investing in Japan and forming joint ventures with Japanese companies.

But Western Europe has a long way to go, compared with Japanese efforts to penetrate Western Europe. Industry and government sources cite the following lopsided picture:

■ Japanese investments this year will reach the equivalent of \$8.5 billion in Europe and well more than \$20 billion in the United States. Last year, EC investments in Japan rose by \$117 million to a total of \$825 million. The EC total may rise to just under \$1 billion this year, far less than the \$3 billion in U.S. investments in Japan.

■ About 100 EC-based companies, banks and geographic regions maintain offices in Tokyo or other major Japanese cities, and employ about 1,500 people, according to

(Continued on Page 5, Col. 1)



Protesters in Buenos Aires react to the news that four former junta members were cleared on charges related to the disappearance of thousands of Argentines during the late 1970s.

Verdict in Argentina Called Likely To Prolong Debate on 'Dirty War'

By Bradley Graham

Washington Post Service

BUENOS AIRES — The prison terms and acquittals that a civilian court has given to nine former Argentine military leaders, observers here say, is likely to prolong rather than end a divisive national debate over who should be judged for crimes committed by the armed forces during Argentina's war on leftist terrorism.

The federal appeals panel, which announced its verdicts Monday, left open the possibility that lower-ranking officers also would be tried for their involvement in what is widely referred to as the "dirty war" of the late 1970s and early 1980s.

The court said it would be forwarding the massive documentation collected in the eight-month trial to the country's top military court.

Its statement was found encouraging Tuesday by federal prosecutors and human rights activists who were otherwise upset by the relatively mild sentences handed most of the defendants. The material, the court said, would assist in cases against other military commanders who had "operative responsibility" during the repression.

While the judges did not explicitly say they favored trials of additional military personnel, this was widely inferred by observers from the transfer of evidence.

"This ruling will not close the chapter on investigations," said

Emilio Mignone, who heads the Center for Legal and Social Studies in Buenos Aires. "It will do just the opposite — prolong them indefinitely."

Defense Minister Roque Carranza, the only senior government official to comment publicly so far on the verdict, said Tuesday that the court's decision marked the end of one stage and the beginning of another.

Gabriel Moreno Ocampo, a deputy prosecutor who helped argue the case against the nine former junta members, observed approvingly that the judges had confirmed the existence of "a criminal plan systematically applied" by military commanders. This, he said, would

(Continued on Page 4, Col. 6)

Egypt, Israel Appear Close to Taba Pact

By William Claiborne

Washington Post Service

JERUSALEM — Israel and Egypt moved closer Tuesday to an agreement on the disputed Taba schism in the Sinai Peninsula, using hopes for early resumption of normal relations between the two countries, senior Israeli sources said.

A compromise agreement on mediation and arbitration of the territorial dispute could be reached by the end of the week, Israeli government sources said.

The head of the Israeli delegation, Avraham Tamir, director-general of the prime minister's office, was more guarded in his assessment, but he said, "If you ask whether I'm optimistic, I'm optimistic."

Taba remained under Israeli control after Israel completed its

withdrawal from the Sinai Peninsula in 1982; the Egyptians maintained it should have been returned with the rest of the territory occupied by Israel in the 1967 war.

Resolving the dispute over the 760-yard-long (700 meters) strip on the Gulf of Aqaba is regarded by Prime Minister Shimon Peres as crucial to restoring full relations between Israel and Egypt and paving the way for a summit meeting with President Hosni Mubarak of Egypt.

It is also regarded as essential before Mr. Mubarak actively joins the initiative for peace talks between Israel and a joint Jordanian-Palestinian delegation.

Egypt withdrew its ambassador to Israel in September 1982 to protest the killing of hundreds of Palestinian refugees in camps by Lebanese militiamen allied with Israel. It suspended the Taba talks in reac-

tion to the Oct. 1 Israeli air strike against the Palestine Liberation Organization headquarters in Tunis.

Mr. Mubarak said Sunday that he would reinstate the Egyptian ambassador to Israel and meet with Mr. Peres when the Taba issue was resolved.

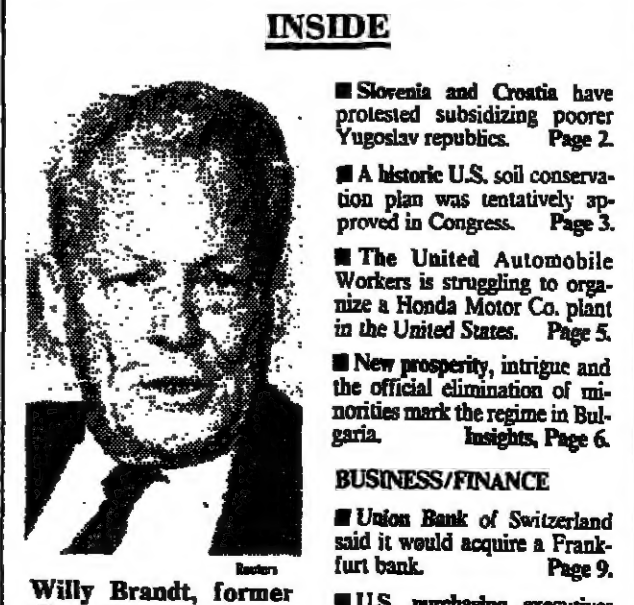
Israeli officials said a breakthrough in the talks came with Egyptian guarantees of a report on the killing of seven Israeli tourists by an apparently berserk Egyptian policeman in October in the Sinai resort of Ras Burqa.

Mr. Tamir said Tuesday that future security arrangements for Israelis traveling to the Sinai would be dealt with by the Joint Israeli-Egyptian Commission formed with the 1979 Camp David peace accords.

Israel's ambassador to Cairo, (Continued on Page 4, Col. 7)



Abdel Halim Badawi, left, head of Egypt's delegation to talks on Taba, with Avraham Tamir, his Israeli counterpart.



Willy Brandt, former West German chancellor, was criticized over a visit to Poland. Page 2.

INSIDE

■ Slovenia and Croatia have protested subsidizing poorer Yugoslav republics. Page 2.

■ A historic U.S. soil conservation plan was tentatively approved in Congress. Page 3.

■ The United Automobile Workers is struggling to organize a Honda Motor Co. plant in the United States. Page 5.

■ New prosperity, intrigue and the official elimination of minorities mark the regime in Bulgaria. Insights, Page 6.

BUSINESS/FINANCE

■ Union Bank of Switzerland said it would acquire a Frankfurt bank. Page 9.

■ U.S. purchasing executives see improved economic growth and moderate inflation in the first half of 1986. Page 9.

Slovenia, Croatia Protest Subsidizing Poorer Yugoslav Republics

By Henry Kamm
New York Times Service

LIJUBLJANA, Yugoslavia—This country, a leader in the group of 77 nations that demands a "new international economic order" on behalf of the developing countries, has a north-south problem of its own. The republics of Slovenia and Croatia are the developed north, and people there say they feel that their less-developed brothers are milking them.

The feeling is most outspoken in this capital of Slovenia, the republic with the highest living standards.

Because jealousies among the Yugoslav republics make standard-of-living comparisons political dynamite, only estimates are given.

Stanislav Valant, executive vice presi-

dent of Ljubljanska Banka, said Slovenia was 50 percent or more above the national average, and Croatia, 10 to 15 percent. Slovenia's per capita gross product is six times greater than that of Kosovo, the Albanian-minority region in the south.

With 8 percent of the population, Slovenia accounts for 16 to 18 percent of all goods and services produced in Yugoslavia. The Slovenian unemployment rate is 1.4 percent, compared with a national rate of 13 percent.

Slovenia is also the republic where ideas have the freest course and where debate is most open.

"Maybe it is a good thing they cannot read us in Belgrade," said Misha Kovac, editor of Mladina, an outspoken youth weekly. Slovenian is sufficiently distinct from Serbo-Croatian, the majority lan-

guage, to limit Mladina's audience to this republic.

Mr. Kovac, 25, was wearing a button on which the number 133 was crossed out in bold red strokes. The number denotes article 133 of the constitution, which makes it possible to be in trouble for expressing divergent opinions. The button would be unthinkable elsewhere in Yugoslavia.

Paradoxically, Croatia is ruled by the most conservative Communist elements. This is the aftermath of a purge of party leaders in 1971, when President Josip Broz Tito said he believed Croatian liberalism had come dangerously close to divisive nationalism.

Whatever their differences, Slovenia and Croatia have been jointly fighting for greater autonomy. At issue is a bill that would oblige enterprises to turn over their

foreign-currency earnings to the National Bank.

The Yugoslav government introduced the bill under pressure from the International Monetary Fund and World Bank, and Croatia and Slovenia blocked its adoption earlier this year.

With a hard-currency debt of \$20 billion, Yugoslavia can ill afford to disregard pressure from international institutions.

But for the two republics, control over their foreign-exchange earnings is an absolute prerequisite of continued success for themselves and Yugoslavia. Slovenia and Croatia together account for 70 percent of the nation's hard-currency receipts.

About 60 percent of these earnings go to the national budget, which provides subsidies for the less-developed south.

"We cannot sustain these burdens of

subsidizing these other republics," Mr. Valant said. "This economy is becoming exhausted."

Slovenian intellectuals attribute their republic's special status to historical and cultural factors. While the rest of Yugoslavia was part of the Ottoman Empire, the northern areas were governed by Austria-Hungary until 1918. The northern Yugoslavs are Roman Catholic, not Serbian Orthodox or Moslem.

Whatever separatist feelings have been aroused by Slovenia's distinctness, they have little currency. But Slovenes and Croats vigorously advocate a Yugoslav version of states' rights against the Belgrade government as the best way of safeguarding Yugoslavia's future.

Divided we stand, united we fall," a Ljubljana intellectual said.

The Evolution of Corazon Aquino: From Silent Wife to Political Leader

By Seth Mydans
New York Times Service

MANILA—Though opposition unity has collapsed, and with it her best hope of defeating President Ferdinand E. Marcos in Philippine elections expected in February, Corazon C. Aquino says she takes pride in one aspect of the turn of events: she became a leader.

Mrs. Aquino said Monday that when her advisers split on how to respond to Salvador H. Laurel's rejection of her terms for a unified ticket, she took a forceful tone in suggesting that a compromise be offered. The backers who were with her, all of them men who are seasoned politicians, obeyed her, she said.

"I was so happy," she said, "in the sense that, you know, in spite of the things that have happened, events have conspired to make these people realize that they'd better listen to what I tell them, otherwise we won't make it there."

In an interview, Mrs. Aquino described her evolution from the role of politician's wife, in which she was expected to be supportive and to keep her thoughts to herself in public, to that of political leader, in which she is called upon to make hard policy decisions.

"I guess it's very difficult for



Corazon C. Aquino

these men to be taking, well, orders from a woman," she said. "But I just have to be very forceful now and to just tell them, 'Look, we have to do it my way if we're ever going to make it.'"

Mrs. Aquino, 52, is the widow of Benigno S. Aquino Jr., who was known as Ninoy and was once thought to be the only man who could unify the fragmented opposition. He was assassinated in 1983 as he returned to Manila after three years of self-imposed exile in the United States.

"Having been the wife of Ninoy," Mrs. Aquino said, "I knew that I was not supposed to be too forceful. I would never say anything if Ninoy were around or to contradict any of them."

But in the last two years, she found herself inheriting Mr. Aquino's role as a unifier of the opposition.

"I realized that when they are bickering among themselves I have to just say, 'Look, this is what I want to do,'" she said. "Because before, I was being too polite."

Mrs. Aquino, who has said she believes that Mr. Marcos was responsible for the assassination of her husband, announced her candidacy Dec. 3, one day after a court acquitted 26 defendants of involvement in the killing.

She said in the interview that she was still leaving the door open to a reconciliation with Mr. Laurel before Wednesday's deadline for the filing of candidacies. But that possibility faded Monday as Mr. Laurel rejected her compromise offer of a formal party coalition and filed separate candidacy papers for the presidency.

Mrs. Aquino said she still might seek a final meeting with Mr. Laurel.

"I just don't want it to be said that I failed to avail of every possible solution in getting the two of us to unite," she said. But Mrs. Aquino said she believed she could win even in a three-cornered race.

Because Mrs. Aquino's greatest asset is the perception that she represents a moral cause, some of her supporters had resisted a coalition with Mr. Laurel, who his critics say is a machine politician, in the mold of Mr. Marcos but with a smaller machine.

Corazon C. Aquino was born Jan. 25, 1933, the sixth of eight children in one of the nation's wealthiest landowning families. After attending an exclusive elementary school for girls in Manila, she continued her education in the United States, graduating in 1953 with a degree in French and mathematics from the College of Mount St. Vincent in New York.

Mrs. Aquino was studying law in Manila when she met her future husband, the youngest mayor in the history of their home town of Cebu, 50 miles (80 kilometers) north of Manila.

He later became the youngest governor of the province of Tarlac and the country's youngest senator. He was a leading candidate to succeed Mr. Marcos when the president declared martial law in 1972, a year before his term expired, and imprisoned Mr. Aquino for eight years.

In 1980, Mrs. Aquino and their five children accompanied the opposition leader to the United States for heart surgery and remained with him until he returned to his death at Manila International Airport.

Mrs. Aquino said she continued to feel more comfortable among nonpoliticians, and that because of the special nature of her campaign she would turn to them, as well as to her professional advisers, for counsel.

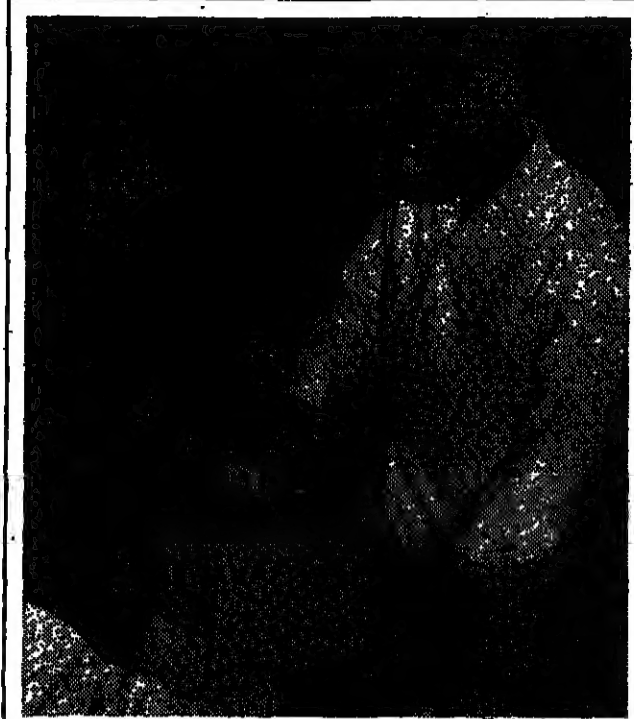
"Since I am really not a politician," she said, "there are times when I talk about one thing and then later on I realize I am not establishing rapport, you know?" She said this happened in the first sessions of her talks with Mr. Laurel to seek coalition. On the suggestion of her advisers, she said, she modified her style to address "hard realities."

Inside the elevator of her office building is a poster of her husband with a halo behind his head and the words, "It is better to die with honor than to live in shame."

Mrs. Aquino often says she constantly relies on her memory of him for advice in her life.

This symbolism, which she brings to the campaign, makes her potentially a dangerous opponent for the president, political analysts say. Small signs have been emerging of the kind of campaign Mr. Marcos might wage against her.

"There will be a problem fighting Cory," a member of the president's party said Monday. "You can't be too tough on her. You have to know when to stop being away and just be assertive."



VOTE DISPUTE—The president of Guyana, Hugh Desmond Hoyte, voting in general elections. Leftist opposition parties boycotted the vote count Tuesday, charging that the army seized ballot boxes to ensure the victory of the ruling People's National Congress party.

Pollution Is Afflicting 36% of Swiss Forests

New York Times Service

GENEVA—A report by the Swiss national forestry office indicates that despite anti-pollution measures, damage and disease caused by acid rain and other forms of air pollution are continuing unabated in the country's forests.

The annual evaluation showed that 36 percent of the forests, which cover more than a quarter of Swiss territory, are afflicted. The problem has worsened considerably in mountain regions, where trees are a vital barrier to avalanches.

The Federal Office of Forestry said that disease caused by pollution had struck or had already killed about 43 percent of the trees in the central Alpine region east of the Italian and French border.

Fifty-six percent of the trees in the mostly forested and mountainous canton of Graubünden in the southeast had been similarly affected, the office said.

Maurice de Conlon, the agency's director, said the situation would "aggravate itself further in the course of the coming decade."

The phenomenon is a general one that has swept through European forests and reached alarming levels in Austria and West Germany. The threat is believed to be even more severe in areas of Eastern Europe where pollution controls are less strenuous.

Recent reports indicated that more than 50 percent of the forests in many parts of West Germany and more than 25 percent in parts of Austria were afflicted by what is known as *Waldsterben*, or the dying forest phenomenon.

The problem is attributed to a combination of factors that are primarily caused by air pollution from car exhaust or the burning of fossil fuels like coal and oil.

In the United States, decades of acidified rain, snow and mist have weakened the neutralizing power of the soils and lakes, prompting some officials to call for major restrictions on emissions from power plants and other sources.

But the Reagan administration and officials in some European na-

tions such as Britain have declined to press for restrictions, arguing that too little is known about acid rain to justify new measures.

In Switzerland, trees have provided natural barricades to avalanches and landslides for centuries. Officials there fear that if current trends continue, people may be forced to evacuate in some areas and that houses and farms may suffer widespread damage.

Although the damage is generally attributed to acid rain, forests are vulnerable to another pollutant, so-called ozone, which is formed by a synergistic reaction of pollutants in fog or mist to sunlight.

"We have photochemicals similar to Los Angeles smog," said Walter Winter, a forest office spokesman. "We think ozone is one of the main factors in Waldsterben, beside acid rain and air pollution."

Singapore Court Fines Journal Over Editorial

SINGAPORE—The Singapore High Court on Tuesday fined the owners, editors, printer and distributor of the *Asian Wall Street Journal* a total of 16,000 Singapore dollars (\$7,500) for an editorial it said had "slandered" the nation's judiciary.

But the court acquitted Stephen Duthie, the newspaper's Singapore correspondent, who had said he had no part in writing the Oct. 17 editorial. The heaviest fine, 6,000 Singapore dollars, was imposed on the paper's owner, Dow Jones Publishing Co. (Asia), for contempt of court.

The features editor, Melanie Kirkpatrick, was fined 4,000 Singapore dollars, the editor and publisher, Fred Zimmerman, was fined 3,000 Singapore dollars, and the editorial page editor, Paul Giger, was fined 2,000 Singapore dollars. The printing company, Singapore Newspaper Services, and the distributor, John Tan, were fined 500 Singapore dollars each.

All except Mr. Duthie had apologized to the court last month for publishing the editorial.

The prosecution had quoted the editorial as saying that many Singaporeans thought the government was trying to "wipe out" Joshua B. Jeyaretnam, an opposition member of Parliament, and that they had little faith "in the independence of their judiciary."

Justice T.S. Simonsbury, in reading the verdict to the court, said: "It is clear beyond doubt that the article contains objectionable statements scandalizing the courts of Singapore. The outrageous allegation made in them is that our courts are not independent."

Brandt Visit To Poland Is Criticized

By Michael T. Kaufman
New York Times Service

WARSAW—Willy Brandt, former West German chancellor and chairman of the West German Social Democratic Party, has ended a visit here amid criticism from the government's political opponents that he shunned them while lending his stature and support to General Wojciech Jaruzelski, the Polish leader.

Polish officials were reflecting jubilation on a week of diplomacy that began with General Jaruzelski's meeting with President Francois Mitterrand of France and ended with Mr. Brandt's visit.

The two events were being cited by the Polish press as evidence that the West's policy of isolating Poland had collapsed.

Mr. Brandt, whose visit ended Monday, had been invited to Poland to mark the 15th anniversary of the Polish-West German treaty, which he signed and which acknowledges Poland's annexation of prewar German territory east of the Oder-Neisse line.

During his stay, Mr. Brandt portrayed the treaty as the foundation for the Helsinki process of East-West cooperation in Europe that began in 1975.

Mr. Brandt also underscored the West German view that peace in Europe depended on stability in Poland, and that the economic development of Poland was an essential condition for that stability.

In talks with General Jaruzelski, Mr. Brandt was reported to have called for the release of three imprisoned Solidarity figures—Wladyslaw Frasyniuk, Bogdan Lis and Adam Michnik—as well as other detainees. He was also reported to have turned over a list of 150,000 people who wanted to be reunited with families in West Germany.

Mr. Brandt's failure to meet with Lech Walesa, a founder of Solidarity, has touched off a political storm in West Germany, but diplomats in Warsaw said a major result of the visit was that it broke the ice and would make it easier for Hans-Dieter Genscher, the foreign minister, and perhaps Chancellor Helmut Kohl to come here.

Mr. Brandt met Sunday with a group of four Roman Catholic intellectuals; two of them, Tadeusz Mazowiecki and Krzysztof Slivinski, had roles in Solidarity. Others present later said that Mr. Brandt had asked the group to convey his admiration to Mr. Walesa.

When Mr. Brandt was asked at a news conference why he had not met with Mr. Walesa, he said, "You can't settle everything at once." Mr. Brandt was asked whether he was aware of open letters addressed to him by opposition figures. He said he was, but added, "I do not want to get involved in polemics."

One of the letters, written by Edward Lipinski, 96, a Solidarity supporter and a prewar Socialist, said Mr. Brandt had avoided contact with Solidarity figures since 1981: "as with fire."

Mr. Lipinski said that he was aware that, in politics, one had to search for understanding in difficult situations.

"Still," he wrote, "it does not seem to be either necessary or advantageous to your interests to discuss German-Polish relations only with the authorities of this part of the great Soviet empire while avoiding representatives of the opposition, representing a significant, even an overwhelming, part of society."

Poles Protest Travel Rules
The Polish government said Tuesday that it has formally protested against travel restrictions imposed on its officials in the United States and would consider reciprocal action, Reuters reported from Warsaw.

The United States has decided that because of a recent record of hostile activity, diplomatic and other official personnel from East Germany, Poland, Bulgaria and Czechoslovakia would have to book their travel through the State Department.

WORLD BRIEFS

Reagan, Lawmakers Meet on Budget

WASHINGTON (AP)—Congressional leaders met with President Ronald Reagan on Tuesday and said afterward that they hoped to settle their differences soon over major financial legislation and wrap up their work for the year.

Robert J. Dole, the Senate majority leader, said at the White House that "there's still some concern," that a plan to force a balanced federal budget by 1991 would hurt Mr. Reagan's planned military buildup, but the Kansas Republican predicted that the bill would pass and be signed by the president.

The House and Senate leaders said they discussed the state of spending bills, the balanced-budget plan and tax overhaul. The first two are facing deadlines this week, while the third has been Mr. Reagan's top priority.

South Africa Extends Payment Freeze

PRETORIA (Reuters)—South Africa extended on Tuesday a freeze on repaying most of its \$24-billion foreign debt by three months to allow time for negotiations with major creditor banks on a rescheduling package.

The freeze, originally due to expire Dec. 31, had been imposed Sept. 1 to stem an outflow of foreign capital and to protect the rand when foreign banks, concerned about the country's political stability, cut off credit lines. The freeze now will run until March 31.

The extension, which had been widely expected, was announced by Chris L. Stals, director general of the department of finance. He said the move should allow time for South Africa and its foreign creditors to come to an agreement for the gradual lifting of the restrictions on loan repayment. Mr. Stals did not rule out a further extension after March 31.

Red Cross Aide Gets UN Refugee Post

UNITED NATIONS, New York (Reuters)—The General Assembly, without a vote, endorsed the nomination Tuesday of a Red Cross official, Jean-Pierre Hocke of Switzerland, to be the new UN high commissioner for refugees.

He is to succeed Poul Hartling, a former prime minister of Denmark, who held the post for eight years. Mr. Hocke, 47, director of operational activities for the International Committee of the Red Cross, was nominated by the UN secretary-general, Javier Pérez de Cuellar. He is to serve a three-year term beginning in January.

He had the backing of the United States and was among a large number of candidates for the post, which is based in Geneva and pays \$120,000 a year. He is to administer programs to benefit about 10 million refugees worldwide.

Top Beijing Official Visits Hong Kong

HONG KONG (Reuters)—The Chinese official responsible for Hong Kong affairs arrived Tuesday for a visit amid fears that Beijing may be backing down on a pledge to allow the British colony a high degree of autonomy after 1997.

Ji Pengfei, who heads the Hong Kong and Macao Affairs Office, said in a statement that he would seek the views of Hong Kong residents on their future during his 13-day official visit. Mr. Ji is the most senior Chinese official to have visited Hong Kong, which is to revert to China when Britain's lease on most of the colony runs out in 1997. He was met by the colony's governor, Sir Edward Youde, and Xu Jiatun, head of the Xinhua news agency and China's senior representative there.



Ji Pengfei

Lange Proposes Bill on Nuclear Ships

WELLINGTON, New Zealand (AP)—The government introduced legislation in Parliament on Tuesday to ban nuclear-armed and powered ships and aircraft from its territory.

Prime Minister David Lange has already banned nuclear-armed and powered warships. He has said the legislation would bind future governments to the same policy.

The opposition National Party vowed to fight the bill, saying it was not in New Zealand's long-term interests. The ban has led to a major rift with the United States and Australia. Washington refuses to divulge, as a matter of policy, which ships carry nuclear arms.

U.S. to Negotiate Troop Cuts in Spain

MADRID (AP)—The United States agreed Tuesday to negotiate a reduction of U.S. troops in Spain when talks begin next year on the renewal of a military cooperation treaty signed 32 years ago by the two countries.

According to a joint statement issued at the end of the second day of talks in Madrid, the agreement is subject to the ability of the Spanish armed forces to assume the responsibilities currently undertaken by U.S. forces.

The U.S. agreement was seen by analysts as a good will gesture toward Prime Minister Felipe Gonzalez, whose Socialist government has promised to call a referendum on Spain's continued membership in the North Atlantic Treaty Organization. A reduction in U.S. troops was seen as increasing Spanish votes for Spain remaining in the alliance.

For the Record

José María Ruiz Mateos, 54, will stand trial on charges of fraud in connection with the near collapse of the Rumasa business group, a Madrid judge ruled Tuesday.

Prime Minister Abdul Razaf al-Kassam of Syria and King Hussein of Jordan met Tuesday in Amman, Jordan, and officials said that Hussein was likely to go to Damascus this month as a further step toward reconciling differences between the two nations.

The World Court ruled firmly against Tunisia on Tuesday in a dispute with Libya over rights to a Mediterranean continental shelf area that may contain oil. The 14 judges of the court in The Hague rejected a Tunisian request for changes in a 1982 ruling.

Costa Rica's president-elect, Mario Vilella Cerezo, said Monday that he would travel to Washington next week to ask for more economic aid, but only "without conditions."

(UPI)

China Nuclear Pact Restricted

(Continued from Page 1)
Department of State had pushed the Chinese just about as far as they were willing to go.

Republican sources indicated that the amendment will be a major target for them when the spending bill comes before a House-Senate conference committee.

Administration Frustrated
In reflecting the Reagan administration's frustration with congressional opponents of the pact, Charles E. Redman, a State Department spokesman, said, "The amendment would undermine the U.S.-China agreement, damage U.S.-China relations and set back the progress we have made with China in the nuclear nonproliferation area." Reuters reported.

U.S. officials, who asked not to be identified, said they believed that some legislators did not comprehend how much of a change in the Chinese attitude on nonproliferation the accord represented.

Until relatively recently, China proclaimed the right of all countries to acquire nuclear weapons for defensive purposes and opposed attempts by the nuclear powers to prevent their spread.

The Reagan administration regards the secret texts of negotiations as satisfying any requirement that U.S. technology sold to China, which has plans for nuclear energy plants worth billions of dollars, would not be re-exported without Washington's approval.

The officials said that China had assured Washington that it was not helping Pakistan develop a nuclear bomb. This cleared the way for the accord to be signed last July.

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AMERICAN TOPICS

The Great Gipper Couldn't Afford To Quit Before the Final Whistle

"The Gipper would never quit until the final whistle," President Ronald Reagan said in a 1984 campaign speech, invoking once again the name of George Gipp, the legendary University of Notre Dame football player whose life Mr. Reagan portrayed in the 1940 film "Knute Rockne, All American." An article by James A. Cox in the current issue of the Smithsonian magazine puts this refusal to quit in quite a different light.

Mr. Cox recalled a game in 1920, with Army leading 17-14 at halftime. "Rockne is giving one of his famous fight speeches. At the end every player is up, breathing fire, except Gipp, who lounges in the doorway looking bored. 'I don't suppose you have the slightest interest in this game,' Rockne snarls. 'You're wrong there, Rock,' Gipp answers. 'I've got 400 on this game, and I don't intend to blow it.'"

The Fighting Irish won 27-17 and went on to their second consecutive undefeated season.

Mr. Cox says that besides being the greatest runner, passer and kicker in Notre Dame history, "Gipp was the team's bookie." The Gipper (the "g" is hard, as in gift) drank and smoked. He was a cardsharp and a pool shark, and he helped friends pay their tuition with his dice winnings.

Short Takes

Jailhouse lawyers are more than a figure of speech in New York state, where inmates at the

Sing Sing and Arthur Kill prisons can study to become para-legals, or lawyers' assistants. Faculty members from Bronx Community College conduct the course. David Foster, 24, an Arthur Kill inmate, said he gets kidded by other convicts for taking the course. But he added, "If, when I get out, I don't go into law, if I get in trouble like they say, I'll know enough to get around it."

Hazing, the harassing initiation rites of some school clubs and fraternities, is now illegal in Massachusetts. A new law sets penalties of up to 100 days in jail and a \$1,000 fine for endangering the health of a high school or college student through "forced calisthenics, exposure to the weather, forced consumption of any food, liquor, beverage, drug or other substance or any other brutal treatment." A few students have died during unusually harsh hazings.

Last July 18, Congress cut off the \$100,000 yearly budget for a Braille edition of Playboy magazine. Representative Chalmers P. Wylie, the Ohio Republican who sponsored the move, said that Playboy portrayed "wanton and illicit sex." Now a blind readers' group has sued to revoke the ban as a violation of free speech. Playboy in Braille contains no centerfold or photographs of any kind.

Shorter Takes: The National Weather Service forecasts a mild winter for the southeastern United States and an especially cold winter for the northwestern states of Utah, Idaho and Montana. Investigative engineers are still trying to find the cause of the cracks that have appeared over the past year in the black granite walls of the Vietnam

Veterans Memorial in Washington. So far the experts are baffled. . . . It will no longer be necessary to pass the salt and pepper, at least not for those who have paid \$4.99 for a robot shaker now on the American market. When the robot is wound up, he walks toward the dining partner at whom he is pointed.

Give SDI Technology to Moscow? Reagan, Some Say, Is Starry-Eyed

President Reagan's pledge to share a space-based anti-missile system with the Soviet Union has puzzled many defense industry executives. The New York Times reports. These executives say the technology involves the same advanced computers, software and lasers that the Defense Department is fighting to keep out of Soviet hands.

"I just don't understand it," said William Rector, vice president of space systems at General Dynamics Corp., during a recent conference on space technology in Colorado Springs. "It just doesn't make sense."

An engineer at Teledyne-Brown of Huntsville, Alabama, a major defense contractor, said: "Personally, I'm not inclined to give the Soviets a thing. They're going to develop enough of this on their own. And I've yet to meet anyone in the defense industry who feels differently."

—Compiled by ARTHUR HIGBEE



Historic U.S. Soil Project Gets Tentative Approval

By Keith Schneider

New York Times Service

WASHINGTON — A conference committee working to reconcile the Senate and House versions of the 1985 farm bill has tentatively approved the most sweeping changes in the 50-year history of the American soil conservation program.

The measures are designed to halve soil erosion by paying farmers an annual fee not to grow crops on up to 40 million acres (16 million hectares) of the most fragile farmland.

The acreage set aside by the program would become part of a new national land inventory. Once farmers decided to place land in this conservation reserve, they would not be allowed to use it for anything other than growing erosion-resistant grass or trees.

"This is a historic piece of legislation," said Peter C. Myers, assistant secretary for natural resources and environment in the Department of Agriculture. "It is, by far, the best conservation program we've ever had."

Daniel Weiss, a lobbyist for the Sierra Club, said: "For the first time our farm program rewards conservation, and penalizes resource exploitation. For the past 50 years it's been the other way around."

Payments for the conservation reserve would start next year.

The government estimates that the program would save billions of dollars each year. Agriculture Department officials said that the cost of the reserve would be far less than the costs of price supports, loans and other government payments farmers would receive for growing crops on the land.

The officials also said the reserve would probably raise farm incomes by reducing the production of wheat and other grains and thereby raising prices paid to farmers.

Estimates of how much the conservation provisions would cost the government were not available Monday night, but the conferees expected to receive such figures from the Agriculture Department before sending a conference bill to the House and Senate.

Department officials estimate that conservation will cost \$50 an acre a year on average, as against crop-support costs that sometimes run to \$100 or more per acre.

Moreover, the program sets stringent sanctions to discourage farmers from filling in sensitive wetlands or plowing under virgin grasslands in order to increase the size of their farms. If farmers violate the sanctions and plow up fragile lands, they could lose their eligibility for many government farm programs next year.

Many farmers who already have seen farming fragile lands would be exempt from this provision. They would have until 1990 to be in developing conservation programs for their land, and until 1995 to put their programs into effect.

This has brought protests from some conservation groups.

The results of the current policy have become apparent across America. According to the Agriculture Department, tens of thousands of acres of prairie in the Northwest and West and hundreds of thousands of acres of fragile woodlands in the South have been plowed under. Wind and rain have washed millions of tons of valuable topsoil into streams and rivers.

A study by the Sierra Club shows that 80 percent of the 450,000 acres of wetlands destroyed every year are converted for agricultural purposes. Another recent study by the Conservation Foundation reported that each year soil erosion causes \$6 billion in damage to wetlands and recreation areas.

In Iowa, land along slopes that once had topsoil three feet (about one meter) deep now has just a half-foot of topsoil. To maintain production, many farmers apply more chemical fertilizers, which also wash away with the topsoil after heavy rains.

Scientists say it can take a century to replace an inch of topsoil.



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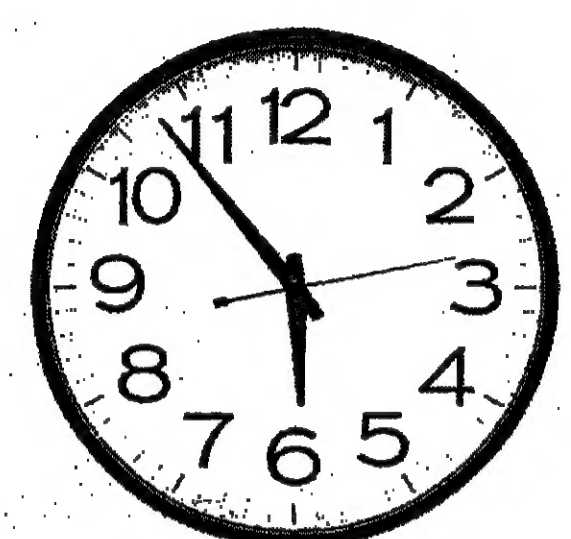
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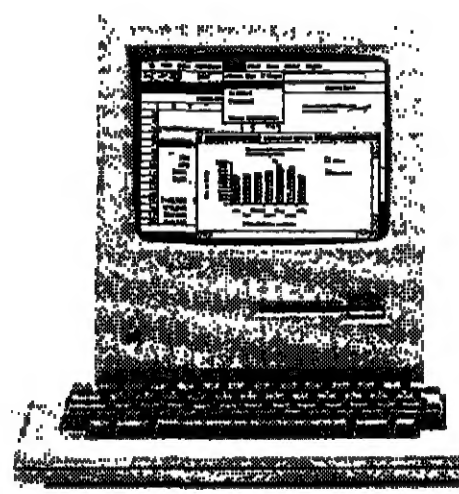
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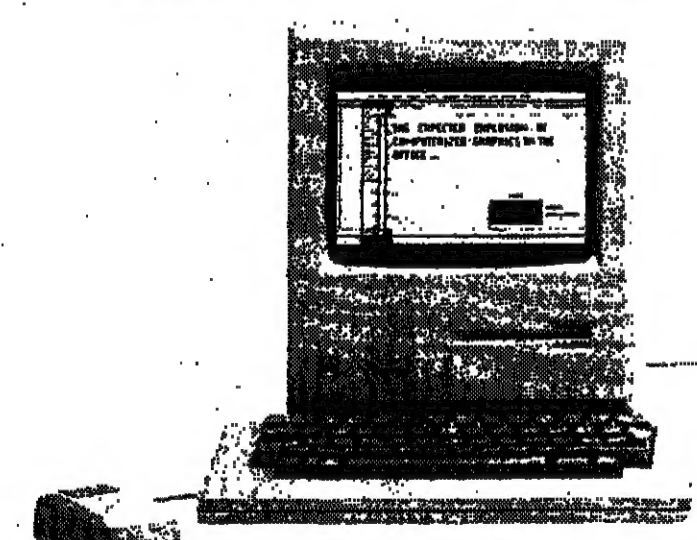


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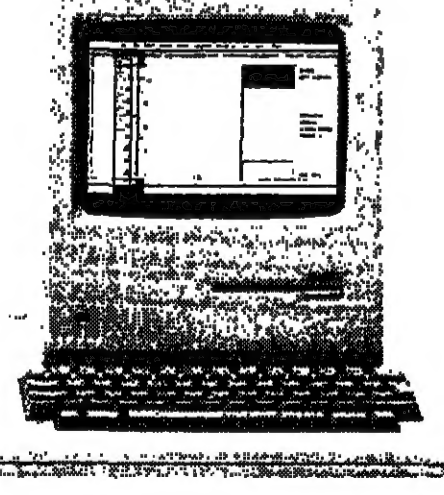
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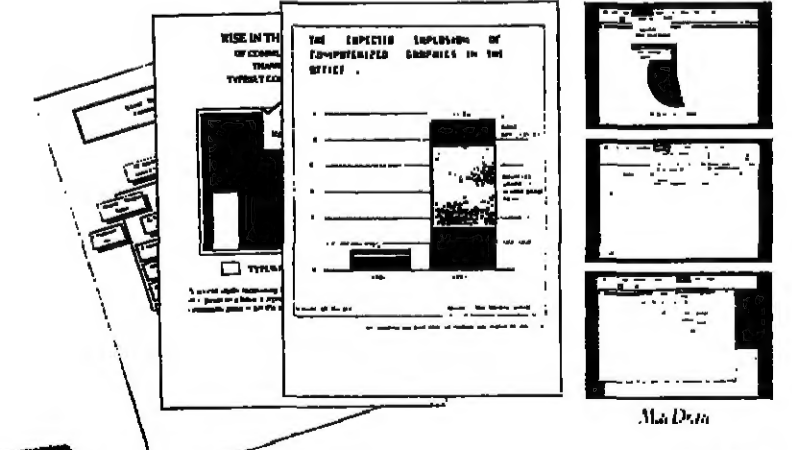
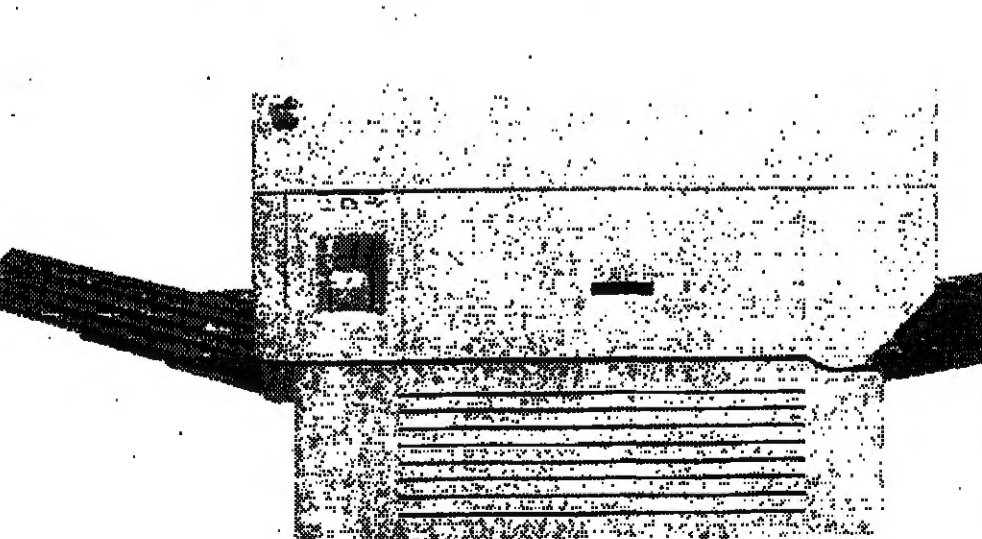


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Cranston's 90-Day Mail Bill: \$1.6 Million in U.S. Funds

Los Angeles Times Service
WASHINGTON — Senator Alan Cranston of California spent more than \$1.6 million in federal funds, twice as much as any other U.S. senator, on mass mailings to voters in the three months that ended Sept. 30, a Senate report says.

Mr. Cranston, a Democrat, faces a difficult re-election battle next year in California. He spent \$1,631,831.95 to mail 6.4 million newsletters and 5 million announcements of a series of community forums he conducted last summer, according to the report, which was issued Monday.

Responding to the report, Mr. Cranston said, "That's a lot of money, and it's easy to get

excited about." But, he added, "I am sure my fellow Californians will agree with me that 6 cents per person is a reasonable investment for communicating with their senator."

The report represented the first time the Senate had published the expenditures of senators on mass mailing, or franking, which allows members of Congress to send mail to constituents at taxpayer expense.

Mr. Cranston's expenditure was about twice that of the Senate's second-biggest spender, Arlen K. Specter, Republican of Pennsylvania. Mr. Specter, who also is facing a tough re-election battle, spent \$789,189.03, or 6.6 cents per constituent.



Alan Cranston

Union Faces Uphill Drive at Honda Plant in U.S.

By Kenneth B. Noble
New York Times Service

MARYSVILLE, Ohio — As hundreds of automobile workers attend to the Honda assembly line here, many of them wear buttons with the emblem of the United Automobile Workers cut in half by a diagonal red slash.

The buttons, distributed by a group of employees, are a symbol of opposition to the union's uphill drive to organize workers here. If it succeeds, it will be the first time that the UAW organized a Japanese-owned automobile plant against company opposition.

The union vote, set for Dec. 19, marks the first confrontation of this type between Japanese management practices and American labor principles. Other Japanese companies that have invested in the United States are watching it closely, for they see the vote as a measure of labor's strength.

Wages are not considered a factor. The issue that may win the election for the union is the speed of the assembly line — the number of cars that workers are expected to

build. Union sympathizers say speed has been a constant source of friction.

The line currently assembles 600 cars a day, with 2,500 workers on two shifts. Several American-owned plants are operating at the same pace, but union sympathizers say those plants have more workers.

As for the buttons, union officials are not amused.

"They're running a dirty campaign, and we're going to sue the pants off them," said Dick Olsen, a union spokesman. "It's more important for us to defend the emblem, really, than it is to win an organizing drive."

So far, union sympathizers say, the United Auto Workers have received little encouragement. Both sides agree that Honda is unusually immune to attacks. There appears to be little rancor between union and management over pay, benefits or possible layoffs.

"Quite frankly, wages are high for the area," Mr. Olsen said of Marysville, which is 30 miles (48 kilometers) northwest of Columbus. "That's not an issue. Most of the people here have pretty positive feelings both to-

ward Honda and the Japanese, and we're not looking to rub anything like that at all."

Gordon Gray, who works in the welding shop, said he was undecided about the union. He predicted the vote would be close because most of the workers "are really happy with the Japanese — they're pretty smart, and they know how to crank out cars."

The workers, he said, are "making 12 bucks an hour, and can't really complain. I don't think we'll get a whole lot more out of Honda, even if the UAW gets elected."

He said the main issue was speed, noting: "People who have seen many different kinds of plants say they've never seen people work so hard. They're really pushed to the limits."

Becky Grove, an assembly worker and the leader of an anti-union faction known as the Associates Alliance, said there was no need for the union.

"There just aren't any problems like you find in a lot of places," she said. "They've given us so much. And any kind of problem we have, we can work it out ourselves. We don't need a third party to run things for us."

The entire operation, situated nine miles outside of Marysville, has a Japanese flavor.

The white uniforms worn by all employees are similar to those worn in Honda factories in Japan. So is the practice of referring to all production workers as "associates." They are required to learn a variety of skills, unlike most employees in American automobile plants.

Perhaps most striking is the homogeneity of the work force. The average age of the assembly line worker appears to be 25, and virtually all are white.

The million-square-foot (90,000-square-meter) factory opened six years ago, the second foreign-owned passenger car assembly plant in the United States and the first owned by a Japanese company.

Toyota Motor Co. has agreed to union representation without a vote by the workers at the plant that it operates jointly with General Motors in Fremont, California. Nissan Motor Co. has vowed to resist any union organizing effort at its plant in Smyrna, Tennessee.

West European Concerns Look to Japan for Lessons in Competing

Japan's Ministry of International Trade and Industry, known as MITI, that compares with 749 offices maintained in EC countries by Japanese companies, employing nearly 24,000 people.

Last year, 8,361 Japanese business executives were moved by their companies to the 10-member EC, while only 1,000 business executives from EC countries traveled to Japan with visas for stays of as long as three years, according to Japan's Ministry of Justice.

EC officials in Brussels who deal regularly with Japan say that Western Europe's poor showing in all these comparisons stems from Japan's long-established obstacles to trade and investment. These remain formidable, despite continuing political pressures from abroad to open Japan's markets.

"The Japanese investments in Europe start with great advantages — unemployed locations, nonunion labor, generous government financial incentives and the like," said Leslie Fielding, the EC's director of external relations.

Europeans enjoy none of these privileges in Japan, he continued. "The picture for our investors and traders in dealing with Japan," Mr. Fielding said, "is one of permanent, horrendous difficulties, with little sign of a willingness by Japan to change." Among the difficulties, he cited red tape and what he described as "consistent favoritism shown to Japanese companies."

Mr. Fielding was dismissive when speaking of frequent seminars and trade fairs organized by MITI and retailers to help European companies tackle the Japanese market. He called the trade fairs,

which are held in Tokyo, "embarrassingly inadequate compared with the real problems."

So West European companies are learning on their own how to fight back.

A notable example is an industry that the Japanese have publicly targeted for worldwide dominance: electronics manufacturing. EC producers have seen their share of the world electronics market slip from 33 percent in 1978 to 23 percent in 1984, a trend similar to that in the

chips, France's state-owned metallurgical company, have started joint companies in Japan. Several dozen other companies say they are planning similar moves.

Entering the Japanese market is proving to be exceedingly difficult, according to Mr. Fielding, who has served as the EC's ambassador to Japan.

"Since 1982, the Japanese government has announced seven so-called packages of market-opening measures," he said, "but they have

failed to have any significant effect on our exports."

At the end of an EC trade mission to Japan last month, Foreign Minister Shintaro Abe flatly rejected as "unrealistic" the commission's demand that it set specific targets for increasing imports for the Common Market's manufactured goods.

"We will continue to pursue the collective squeeze on the Japanese that resembles the kinds of pressures being generated in Washington," Mr. Fielding promised. These pressures include frequent official visits and protectionist actions. EC officials pointedly noted that U.S. trade officials returned from Tokyo in November and announced that some U.S. demands had been met despite a Japanese refusal of any concessions in October.

Japan is not unresponsive to the pressure and is challenging anti-dumping duties in the European Court of Justice. "These actions, and other forms of criticism regarding our trade imbalances, are unjustified, one-sided and exaggerated," said Hideo Kagami, Japan's ambassador to the EC.

His deputy, Yoshikiko Saeki, spoke in blunter terms. "The real problem with the European Community," he said, "is that they want the fruit, but do not want to grow the plant. This is unacceptable to our government."

Most of Western Europe's industrial leaders agree that the protectionist measures can at best provide what Henk Bodt, a Philips official, described as "breathing space that must be used for positive action."

This action, in Philips' case, involves challenging Japanese competition in such sectors as electronic parts, where Japan still is relatively weak but growing fast. For example, Mr. Bodt said that until recently, Japanese television makers in Britain were relying exclusively on parts made in Japanese-owned plants in Ireland, Scotland and West Germany. "We decided we wanted to fight for that market on our home ground," Mr.

Bodt said. The first step was the long and costly process of obtaining certification in Japan to allow the plants to use Philips parts.

"It took well over a year to get the approval from the industry authorities in Tokyo," Mr. Bodt continued, "and if we hadn't moved, those Japanese companies in Europe would still be using Japanese components. Now they are among our best customers in Europe."

Philips is finding other ways to fight back, including a few battles in Japan's backyard. The Dutch company expects to announce soon a joint venture in South Korea to build 500,000 videocassette recorders annually for the U.S. and Japanese markets. In addition, it is substantially expanding a videocassette-recorder research center in Japan operated by its subsidiary, Marantz Japan.

Rhône-Poulenc is among a handful of West European companies that have established successful joint ventures with Japanese companies, primarily in petrochemicals, pharmaceuticals and fine chemicals, sectors in which Japan is relatively weak. Yet the joint ventures have been no bonanza for Rhône-Poulenc, which reports that both sales and profits in Japan remain quite modest compared to other international markets.

And the French company has faced a headache common to most West European companies: hiring and keeping good local managers.

Gilles Barbier, president of Rhône-Poulenc Japan, said he spent a year and a half looking for a computer specialist. "Six months after we hired him, he left," he said. "It wasn't the money — in Japan, it's socially somewhat unacceptable for a Japanese executive to work for a Western company. How can you get around that obstacle?"

"The real problem with the European Community is that they want the fruit, but do not want to grow the plant. This is unacceptable to our government."

— Yoshikiko Saeki
Japanese diplomat

sales of European automobiles, trucks, office equipment and construction machinery.

Philips and its West European competitors, notably Thomson of France and Siemens of West Germany, are coordinating a broad strategy aimed at assuring survival. These electronics companies have gained from their governments tough protectionist measures against Japanese imports.

Despite strong objections and pledges to counterattack from the Japanese government, EC officials expect approval shortly for a program to increase the tariff on imported videocassette recorders from 8 percent to 14 percent of cost. This market is a huge one, with a value estimated at \$3.5 billion this year in Europe alone.

markets. During the last six months, the commission has imposed anti-dumping duties on Japanese land excavators and electronic typewriters.

As Japanese companies increase their direct investments, largely in an effort to avoid quotas, tariffs and duties, West European governments are insisting that companies bring in their advanced technology and teach it to local workers, rather than relying on parts sent from Japan.

West European governments and trade associations, clearly following an example set in the United States, have told Japanese manufacturers opening plants in Europe that they must buy at least 45 percent of their products' parts from local suppliers. In some cases, the percentage is higher. For Nissan's planned automobile plant in northeast England, industry groups have insisted on 80 percent — a suggestion Nissan said it was studying.

Further, the EC Commission is focusing its money, manpower and energy on high-technology development in areas where the EC is stronger than Japan, or where Japan has made little impact outside its borders. These sectors include advanced microelectronics, software, office automation and telecommunications.

"These are some of the key areas we have targeted under the community's cooperation programs — a clearly Japanese approach," said Michel Carpentier, the head of the commission's task force on information technologies. Noting that the EC is spending \$2 billion on cooperative ventures in high technology, Mr. Carpentier added, "It is a bit like MITI's approach, and we have learned a lot by studying the Japanese."

Increasingly, West European companies are seeking to penetrate Japan through investments with Japanese partners. Such companies as Philips, Thomson, Siemens, Rhône-Poulenc, France's state-owned chemical company, and Pe-



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Great Britain	£	101	55	30
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Ireland	£ Ir.	115	62	34
Italy	Lire	276,000	149,040	82,800
Luxembourg	L.F.	9,000	4,876	2,668
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Portugal	Esc.	13,800	7,450	4,090
Spain	Ptas.	21,200	11,300	6,300
Sweden	S.Kr.	1,470	795	434
Switzerland	S.F.	432	233	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$	322	174	95
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INSIGHTS

Bulgaria 20 Years Later: Prosperity, Intrigue, No More Minorities

By David Binder

New York Times Service

I returned with a certain uneasiness to Bulgaria, where I had served 20 years earlier as a correspondent. In part, my discomfort grew from memories of wretched hotel food, which invariably made me break out in boils, and the rather hostile attitude of Bulgarian officials functioning under a mandated policy of anti-Americanism. Primarily, it was based on the fact that the People's Republic had issued an edict barring me from the country for life. Twice.

The reason given for the action was a joke I had used in an article to illustrate the attitudes of Romania toward neighboring states. The joke took a cut at Todor Zhivkov, then Bulgaria's prime minister. It appeared first in 1965 in The New York Times, prompting the initial edict. When it appeared a second time, in The New York Times Magazine, the Bulgarians reiterated the lifetime ban. I had not tested the ban until now, and although I had no trouble getting a visa, I was a bit hesitant.

Not surprisingly, I found many changes in Bulgaria, from the easy availability of food, clothing and housing to the smooth handling of foreign correspondents, for a fee, by a special state agency. The furnishings of the Sofia hotel where I stayed hinted that life was more comfortable now. The bathroom taps were metal instead of the leaky plastic of yore; the restaurant food did not induce boils; the Gamsa burgundy was excellent.

Pleasantly situated in a broad valley, Sofia is described by Bulgarians as "the greenest city in Europe," and streets are lined with black locusts, maples, birches, elms and horse chestnuts.

With its yellow streets, its cobblestoned avenues and tin-roofed shacks housing thousands of Gypsies, Sofia seems an appropriate setting for old-fashioned international intrigue, but scarcely the ideal spot for masterminding a far-flung plot to murder a pope.

Nonetheless, that is what an Italian magistrate has charged. In 1982 the lone Turkish gunman seized after attempting to kill Pope John Paul II the previous year, Mehmet Ali Agca, swore that Sergei I. Antonov, chief of the Bulgarian airline office in Rome, and two other Bulgarians had directed the plot. Worse still was the suggestion by an Italian magistrate, Ilario Martella, that the assassins were acting as agents of the Bulgarian government.

The Bulgarians promptly rejected the charges as preposterous. But even if the Bulgarian connection is proved false, the incident further furnished the image of a country that has already been implicated in a number of cloak-and-dagger activities.

In addition, the U.S. Drug Enforcement Administration says that Bulgarian authorities harbor international dealers responsible for shipments of heroin and other narcotics from the Middle East to northern Europe.

DOMESTICALLY, the government is waging a remorseless campaign to force homogeneity on what has been a multi-ethnic Balkan salad of Turks, Moslem Pomaks, Gypsies, Armenians, a handful of Albanians, Greeks and Romanians, not to mention several hundred thousand Macedonians.



A Bulgarian couple walking past a monument to Czar Alexander II in Sofia.

In the recent drive to "Bulgarianize" the Turkish minority, at least 200 civilians and soldiers were killed. The human rights organization Amnesty International has reported the figure at 500. The Communist Politburo member, is to make Bulgaria a "single-nationality state." That is something southeastern Europe has not known in its 3,000 years of recorded history.

Bulgarian authorities call criticism on any of these points part of an "anti-Bulgarian campaign." With a studied air of resignation, Deputy Foreign Minister Lyuben Gotsev said that a clipping service had collected 4,033 articles from United States periodicals on Mr. Antonov. The trial of those accused of plotting to kill the pope has not been concluded "and yet we are called assassins, terrorists," Mr. Gotsev said.

Boyko Traikov, director of the Bulgarian Telegraph Agency, called Mr. Agca's testimony of a Bulgarian connection a fantasy and said the anti-Bulgarian campaign "is not directed exactly toward Bulgaria, but toward the Soviet Union."

"It fits the thinking in the West about Bulgaria as the most faithful, the most orthodox," he said. "They call us a satellite."

"We are not so important as to be the object of such great attention around the world," Mr. Traikov said. "The campaign is aimed at the Soviet Union and the Socialist system. Like billiards, you hit one ball to hit another."

At least on the surface it would seem Bulgaria is Russia's most faithful ally. The capital boasts not only a statue of Czar Alexander II and the Alexander Nevsky Cathedral, erected in gratitude for the 1878 liberation of Bulgaria, but also a huge monument to the Soviet Army, a large statue of Lenin and numerous avenues named for Russian figures.

Sovietization of Bulgaria began immediately after Marshal Fyodor I. Tolbukhin's troops took over the country in 1944. In 1954, a year after Stalin's death, Bulgaria acquired what is known as a "home Communist," a party member whose political experience was Bulgarian, not Russian. This was Todor Zhivkov, a printer who, in the last years of World War II, had become political commissar of the partisan Chavdar Brigade that fought Bulgarian Fascist government forces.

Mr. Zhivkov, 74, is now the senior governing Communist in Europe, having ruled as party secretary for 31 years. To be sure, Mr. Zhivkov has paid public dues with such remarks as, "The Soviet Union and Bulgaria breathe with the same lungs, and the same blood flows in our veins," and such actions as sending a token force to aid in the Soviet bloc invasion of Czechoslovakia in 1968. Neighboring Romania did not.

But to suggest that Bulgaria is an unwavering Soviet satellite may be to exaggerate. A year ago Mr. Zhivkov's long-planned trip to Bonn was called off at the last minute by Mikhail S. Gorbachev. This annoyed the Bulgarian leader, who responded to the humiliation with a series of visits to and from the heads of state of Romania, Japan, Finland and France, thus asserting a degree of independence from Moscow.

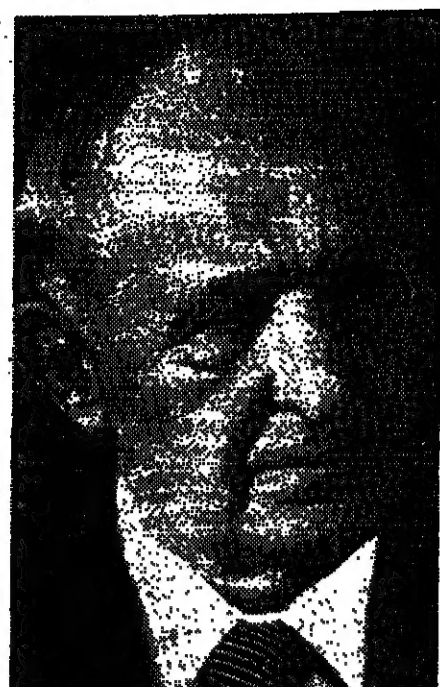
In October Mr. Gorbachev visited Bulgaria, this time as Soviet party chief. In private talks, he let Mr. Zhivkov know that the Soviet Union was no longer going to accept the second-rate goods Bulgaria was dumping in the Soviet market, while it sold higher-quality products to the West.

Western diplomats maintain that the Soviet Union has never treated Bulgaria as a valuable partner. "The Soviets don't consult, they don't even inform their own allies," an ambassador observed.

CERTAINLY, the Russians contemplate Bulgaria with a mixture of suspicion and envy. The Slavic nation, which sided with Germany in two wars, has accepted the Soviet system and improved upon it, so that agriculture and some industries are more productive than in the motherland.

Meanwhile, the Russians have criticized the Bulgarians in private about the anti-minority campaign, pointing out that the tensions it has raised could have serious repercussions among Russia's own fast-growing Turkish population.

The push to Bulgarianize the minorities is the most dramatic event within the country since Mr. Zhivkov's rise to power. The campaign,



Todor Zhivkov

which, according to some Bulgarians, was conceived in a secret party directive in 1971, has been massive. Although 250,000 Bulgarian Macedonians were recorded in the 1946 census, by 1975 none were listed. There were also no listings of other national minorities.

Not content simply to drop minority listings, over the last four years the government has forced about 5,000 ethnic Albanians, along with thousands of Gypsies and Armenians, to take Bulgarian names. The People's Socialist Republic of Albania has lodged a formal protest.

In August 1984 the push gathered force in anticipation of a national census scheduled for this month, when the government is expected to declare the country ethnically pure, with no hints of any cultural diversity.

Last December the government focused its efforts on Bulgaria's one million ethnic Turks, starting in the southern district of Kurdzhali. There was bloody resistance in Momchilgrad, and the state militia, the military and the Zapsi, or special reserves, were called in. Dozens of people were killed. In early January, the drive was expanded to the north. Whole districts were sealed off to foreigners. Armed forces typically would surround a village, then force the inhabitants, at gunpoint, to line up and sign name-change petitions.

The government has closed the one Turkish newspaper, Yeni Iskik, and all Turkish schools. There were 1,199 Turkish schools in 1951. Turkish-language radio broadcasts have been taken off the air and fines have been imposed for speaking Turkish in public. Increasing numbers of Turks have fled to Romania and Greece.

Mr. Zhivkov boasts of making Bulgaria "the Japan of the Balkans." It is an overreaching claim, but a returning traveler cannot fail to be impressed by the transformation of what had been, 20 years ago, essentially a peasant society.

Today Bulgaria generates 25 percent of its electrical power in nuclear plants and is planning on 50 percent in the year 2000. There are traffic jams in city streets and shop windows are filled with consumer goods.

Evidently decades of diligence are paying off in terms of improved living standards for many citizens. The average wage is about 250 leva a month (\$240 at the official exchange rate), but there are usually two or more wage earners in a family.

For a brief period some observers wondered whether a Zhivkov dynasty was in the offing. After his daughter Lyudmila graduated from university in 1966, he drew her into the party, and by 1975 she had become chairman of the state committee for culture. Four years later, at age 36, she was elected to the Politburo.

She died in 1981 in an automobile accident. She is commemorated by the Lyudmila Zhivkova National Palace of Culture, Sofia's largest and perhaps ugliest building. It serves as a backdrop to a memorial dedicated four years ago to 13 centuries of nationhood.

Such nationalism is also apparent in the schools. A Western diplomat tells the story of his son, who was enrolled in a Bulgarian high school. One day in a military course, an officer teacher pointed to a map of Europe. "You are not here because of the NATO military threat," he said. "You're here for this!"

He rolled down a map showing medieval Bulgaria encompassing large areas of present-day Greece, Yugoslavia and Albania. It is just such extreme nationalism, and the dream of restoring the medieval empire of "Greater Bulgaria," that brought war and shrinkage upon the nation in the first place.

Why does the Zhivkov government indulge in such an atavistic nationalist paroxysm, going so far as to force its citizens to change their names? Why does a country that aspires to enter the high-tech age risk international opprobrium by engaging in trafficking in drugs, arms and cloak-and-dagger intrigues?

At least part of the answer lies in Bulgarian history. In the Middle Ages the Bulgars created an empire stretching from the Black Sea to the Aegean and, for a time in the 11th and 13th centuries, to the Adriatic. Modern Yugoslavia's capital of Belgrade was, for a time, a Bulgarian citadel. So was Greece's Salonika.

BUT for five of the last six centuries there was no Bulgaria, only the Ottoman Empire, and within the empire's greatest writer, Ivan Vazov, called the Turkish yoke. Freedom movements were growing when Bulgaria was liberated in 1878 by the troops of the Russian Czar.

"Bulgarian history is discontinuity," said a Macedonian from Yugoslavia, adding that "they chose the wrong side in three wars," suffering defeat in the Second Balkan War, and again in World Wars I and II, when Bulgaria sided with Germany.

Having made wrong choices at three critical junctures in the space of less than three decades, there is no fixed reference point, said the Macedonian. "For Bulgarians, who is to say the choices they make now are not wrong?"

(This article was excerpted from The New York Times Magazine.)

Torn Between Two Cultures, a Girl Dies

16-Year-Old's Hunger for American Life Conflicted With Moslem Values

By Peter H. King

Los Angeles Times Service

VISALIA, California — An Arab immigrant girl, she hungered for an American life. Many people around here say that this, more than anything else, is why Hadiya Nagi is dead and her eldest brother is a fugitive, wanted for her murder.

The attack came at midday Sept. 10, a Tuesday, in the parking lot of the Visalia Oaks minor league ballpark. More than a dozen witnesses watched from across the street at Johnny's Git & Go Market, where Miss Nagi and four girlfriends from Redwood High School had gone for lunch.

A faded blue 1978 Thunderbird with two men inside rolled up to the girls. Two shots were fired through the passenger window. Miss Nagi, 16, dropped face down on the asphalt. The passenger got out of the car. He wore no mask or any other disguise; no words were spoken. He crouched over her prone body, took aim with both hands and dispatched two more bullets into the back of her pink sweater. One went through to pierce her heart.

It took the police two weeks to identify the oldest of Miss Nagi's four brothers as the gunman and obtain a warrant for his arrest. The warrant has not been served. Mohammed Taber Ali, 33, who ran the family market in nearby Woodville, is believed to have fled to his native Yemen.

That a brother could kill a sister, and in such a cold and deliberate fashion, was disturbing enough to residents of Visalia, population 52,000. It is a pleasant farming community that records about five murders a year. Yet the case would become even more incomprehensible as the police theory about motive began to circulate through the town's taverns and coffee shops and high school hangouts.

Miss Nagi's murder, the authorities suspect, was rooted in her native culture. Specifically, police investigators and other officials familiar with the case say they believe that she was killed in a harsh attempt to rectify a perceived affront to the family reputation.

The particulars of her offense are not clear, and the authorities are prohibited from publicly discussing the suspected motive. However, documents on file with the Visalia Municipal Court refer to Miss Nagi's loss of virginity several years ago, by rape. And those who knew the girl tell of her stubborn rejection of the customary role of a daughter in a traditional Arab family.

At the time of her death, Miss Nagi was living with a foster family, refusing all entreaties by her parents to return home. Court officials had taken custody of her after she complained that her mother abused her. She had adopted an Anglo-sounding alias and was attending Christian churches. She wore makeup and jewelry, dated boys and, as her attorney said later, enjoyed "all the things that the average American parents would deem suitable for their teen-aged daughter."

Sergeant John Gomes, the principal police investigator said, "I've been a policeman for 17 years, and this is one of the most vicious, bizarre and unique killings I have ever run across. Nothing we turned up in this whole investigation has indicated that the victim agitated or in any way caused her death."

"Nothing she did would have caused him to do what he did," he said.

In the last summer of her life, Miss Nagi had seemed to revel in her newfound freedom, her immersion into what she considered a typical American teen-ager's world. She also was clear-

ly afraid of the potential consequences. According to police reports on file with the court, she warned the authorities on at least three occasions that her family might kidnap her, or worse.

"She was," one reporting officer noted, "especially fearful of her brother Mohammed."

HADIYA Nagi was 4 years old when her family brought her to the United States from Yemen. Her father, said to be a man of influence in the Yemeni community in Visalia, told neighbors he had worked in the fields before he saved enough to go into the grocery business.

Taber Nagi apparently had done well. Miss Nagi told acquaintances her family owned three "mansions" in Yemen, where they occasionally returned for a year at a time.

Miss Nagi was raised according to traditional Moslem values, but as she grew up in the United States she developed a taste for things American.

Three years ago, Miss Nagi was pulled out of eighth grade. Her father was upset because girls and boys at the school were allowed to mix. In

the Middle East, many schools, even universities, are segregated along sexual lines.

A longtime attorney for the family, James Heusdens, said that Mr. Nagi had intended to return his family to Yemen, but his wife became ill. They remained in California and Miss Nagi was kept out of school for two years. She would tell friends that during this period her mother, Asya, locked her into a room each night.

Miss Nagi later alleged that her mother also would brandish a knife and strike her with the broad side of the blade. In May, she said her mother was infuriated to find a Michael Jackson poster in her room. Miss Nagi fled to a local police station. Officers there were struck with how upset the mother seemed, tugging at her own hair and flaying herself.

She was placed in the Susan Mainard Receiving Home, a county shelter. There are references to the case in police documents filed in court.

One report stated that social services employees said Miss Nagi had indicated that the abuse began after she "had been raped several years ago, which caused her to become 'disgraced' in the eyes of her family because she was no longer a virgin. Nonvirginity at the time of the marriage is apparently an unforgiving offense in the Arab culture."

Sources present at a custody hearing said a crucial moment came when the girl's mother, visibly distraught and apparently disoriented by what must to her have seemed a bizarre examination of her familial role, was asked if she could forgive her daughter for being raped.

Her response was to the effect that "we don't forgive her, but we will accept her back."

Miss Nagi enrolled in summer school at Susan Mainard, taking the name from the county home. She was an eager student, complaining when frequent court sessions took her away from class. She spoke of wanting to be a nurse.

She was moved to different foster homes, and Miss Nagi told her attorney she preferred to be placed with Christian families. She began attending a Christian church. Acquaintances said this was another source of friction with her parents.

On July 16, Miss Nagi appeared at the Visalia police station. She told officers that she had been outside the high school campus and spotted her brother in a car.

At the station, she was asked why she was so upset.

"Hadiya stated," the reporting officer noted, "that she believed that they were going to kidnap her and force her back to Arabia because they did that to a cousin of hers."

She told others that her main fear was being returned to Yemen, passed off as a virgin and married. If her husband discovered she was not a virgin, she said, it could mean death.

Court documents indicate she had told Deputy District Attorney Peter Champion that her family would kill her. Mr. Champion told police officers that Miss Nagi was "visibly shaken" at the time.

There were regular meetings between Miss Nagi and her relatives, called by the social workers in an attempt to resolve differences so that the family could be put back together. The meetings were amicable enough.

Another court hearing had been scheduled for Aug. 29.

The parents did not attend. Mr. Champion reported that they had gone back to Yemen. He told an investigator that the parents had indicated they "would not be kidnapped by the system, like the system kidnapped their daughter."

The girl's father later told Mr. Heusdens he had gone to Yemen to petition the government to "get my daughter back, to save her life."

Mohammed Nagi was present at the Aug. 29 meeting, and according to court documents he pleaded with Mr. Heusdens to find a way to bring Miss Nagi home.

"This is a terrible embarrassment to the family that this child is not living at home," he is quoted as saying. "She must go back to the family. Isn't there anything you can do?"

"Your sister has chosen a new life," the lawyer is quoted as telling Mohammed Nagi, "and there is nothing I can do at this point."

INVESTIGATORS focused quickly on Miss Nagi's brother. First, she clearly had been the intended target, suggesting the victim had known her killer. Also, Mohammed Nagi did not return messages when attempts were made to notify him about the death. And foster parents, social workers and lawyers came forward to pass along Miss Nagi's premonitions.

A passport photograph was obtained and witnesses allegedly identified Mohammed Nagi. The Thunderbird was found at a paint shop in nearby Traver. The three Yemenis who had brought it there a few days after the killing were questioned. The owner of the car told the police that Mohammed Nagi had purchased it for him and kept a set of keys, driving it often. They claimed no knowledge of the killing.

Mr. Gomes has been unable to confirm his suspicion that Mohammed Nagi fled to Yemen. The murder weapon, has not been found, nor has the driver been identified. Mr. Gomes does not hold out much hope that Mohammed Nagi will ever stand trial.

"I'm not optimistic," Mr. Gomes said. "A lot of it has to do with how this crime would be viewed in their country, because it involves the honor of the family."



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'Down an Alley' Filled With Morsels of Other Plays

By Sheridan Morley
International Herald Tribune

LONDON — The trouble with a two-character play is the awful finality of the cast list. Knowing that nobody else is going to appear somehow makes you resentful of those who already have. When, long before the last war, Dame Flora Robson was appearing in a Viennese two-hander and at long last

THE LONDON STAGE

the doorbell rang onstage and Dame Flora said to her husband, "I wonder who that can be?" a voice from the stalls cried, "Whoever it is, let them in." Suppose the two people on stage aren't the two you really want to spend the rest of the evening with? Only Tony Shaffer ever solved that one, by promising in his two-character "Sleuth" the appearance of various mythical characters. Now you can't even trust a theater program.

But "Down an Alley Filled With Cats" (at the Marmosa) is a genuinely two-character thriller. Neither man comes on in disguise as a third, nobody is promised and then fails to materialize. There are admittedly some unusual names in the program, notably Ola May Wallace, Duane Bogie, Kirk Doolley and Beatrice Handel, but they turn out to be the producers or at any rate their backsides. What they are backing is a curious but by no means catastrophic little thriller

about an antiquarian bookshop in Sydney, and for those of us who thought New South Wales rich in neither suspense nor old and valuable books, this is clearly meant as something of an eye-opener.

It starts with the arrival of Adam Faith as a camel-coated likely lad improbably seeking a definitive tome on the history of the Napoleonic wars. Even the least of the Poirrots among us will not take long to realize that whatever is of such value to him in this work is unlikely to be contained in the text. Sure enough, it's on the dust jacket: Someone has thoughtfully inscribed the address of some buried Chinese treasure. The only problem is that the dust jacket has been torn in half. The chances are that the other half is in the possession of the owner of the bookshop, who has decided to look Faith in with him for the night while they sort things out.

The entire plot of Warwick Moss' thriller could easily be contained within about the first seven minutes of any remake of "The Maltese Falcon"; what is intriguing here is the occasional glimpse of the various other plays that he seems to have abandoned along the way to an all-too-predictable end. First, there is the old odd-couple routine: Faith, street-smart but otherwise uneducated, up against the weary worldly wisdom of David de Keyser as the bookseller. If one stands for quick wits and the other

for old intelligence, which has the best chance of staying alive through the night and making off with the Chinese statue in the dawn?

Then again, this might not be a thriller at all, since the actual thrills are precious few and far between. Could it have started out as a gay love story about an old man falling for the villain he always wanted to be in his youth? If so, de Keyser's wary, prowling performance is a masterpiece of suppressed sexuality. But if that is what the play is about, somewhere along the route its author seems to have lost interest in a resolution. In the end the games are all that he really cares about, games of bluff and double-bluff that are ultimately self-defeating. If you know that neither character is ever likely to tell the truth about anything or anybody, what they do tell one another becomes remarkably irrelevant.

This is the kind of plot that used to appear on television in about 1956 under the Alfred Hitchcock banner; even then it wasn't that strong for half an hour, and stretched to four times that length it is bound to look a little fragile unless you are deeply concerned with the precise whereabouts of stolen Chinese artifacts. But Faith and de Keyser play this charade with such evident enjoyment and tremendous versatility that in the end it very nearly grabs you. I just don't look forward to seeing it in

any of the regional-rep revivals that will doubtless follow when management realize its remarkable economy of set, cast and action.

A rather more electrifying two-hander is at the Gate in Notting Hill, where Neil Cunningham and Stewart Preston are playing out "Ophium Eater." Andrew Dalmeyer's savage duet about Thomas de Quincey and his servant in 19th-century Edinburgh. An enfeebled opium addict and a disabled simpleton might not immediately appear to be the two characters you would most choose to spend an evening with, but the performances are unforgettable. Cunningham as de Quincey, leading "the damnable life of a hack" as he is chased from attic to basement by Scots landladies outraged at his failure to extract 10 guineas from Blackwoods magazine for a piece he has once again failed to deliver on deadline, and Preston as the demented retainer form a partnership as touching as it is appalling.

Some weeks ago I drew your attention to the Royal Shakespeare Company's production of "Les Misérables" at the Barbican and suggested that it was the best musical of the 1980s. That verdict seems to have been endorsed by audiences, since tickets at the Barbican have been all but impossible to get, but as the show moves this week to the Palace with its original cast intact this might be a good moment to highlight a curious split in critical reaction. Those Americans who have reviewed it, from The New York Times through Time to Newsweek, have shared my belief in the brilliance of the score and the courage of a musical that is not about glamour or success but about

failure and hatred and sudden death.

My local colleagues, however, with one or two exceptions, have resolutely rejected it. Indeed, the usually reliable judges on the Evening Standard panel were so eager to deny it a hugely deserved trophy that they gave their best new musical award to the Elvis Presley bio "Are You Lonesome Tonight?" which is strictly speaking not a new musical at all but a documentary drama with songs. Why the trans-Atlantic split? Perhaps American reviewers have learned at last the lesson of "Sweeney Todd," which is that a great musical does not have to be a constantly cheerful one. If so, could we not learn that lesson here too? Or do we have to wait until the English National Opera does "Les Misérables" at the Coliseum, as they one day undoubtedly will?

Contest to Recall Flier's 1811 Feat

Ulm, West Germany — An international competition will be held next June to re-enact the exploits of Albrecht Berblinger, "the Tailor of Ulm," who, after a plunge into the Danube wearing homemade wings, made successful flights 175 years ago. The city-sponsored competition will carry a prize of 50,000 Deutsche marks (now \$20,000), the Ulm newspaper Profil said Tuesday.

In 1811, the tailor, with six-meter cloth wings strapped to his back, dived from the city wall and tried to swoop across the Danube. Seconds later, to roars of laughter, he plunged into the water, and despite his later successes, this is how history fondly recalls him, Profil said. Today the reason for his initial failure is clear, it added: He had not allowed for the downdraft over the river.

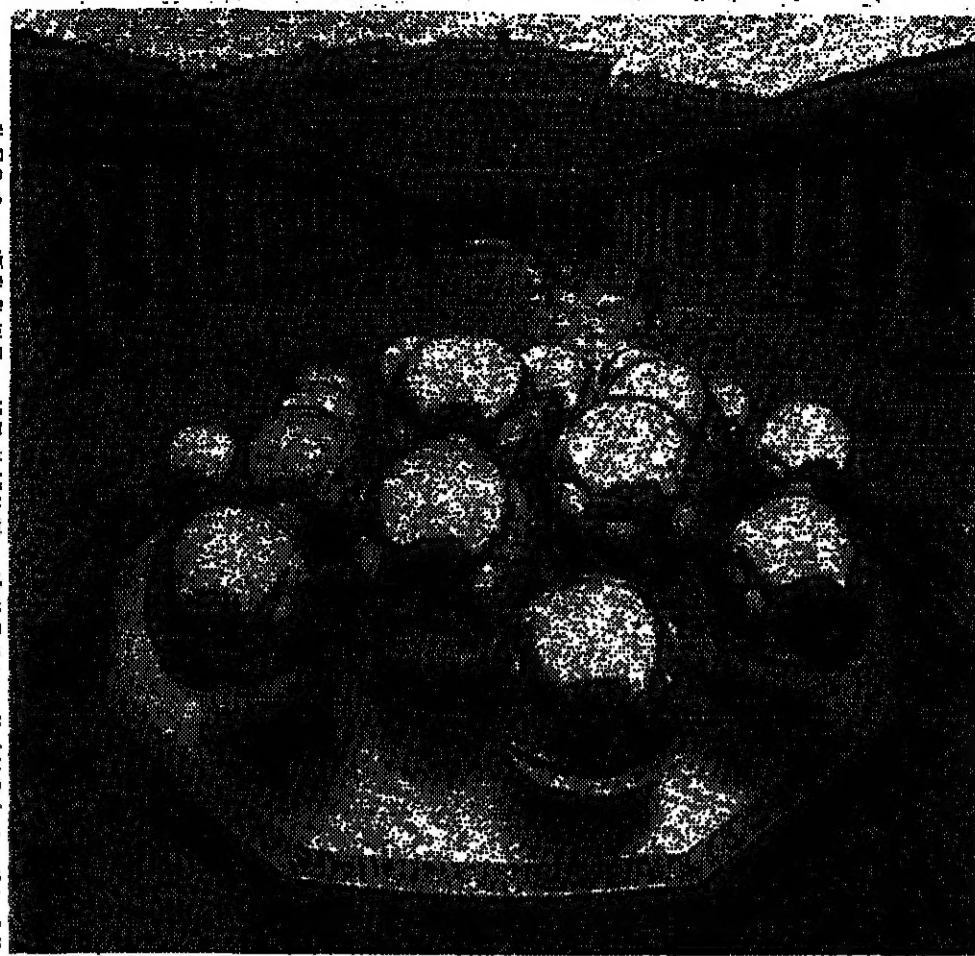
Contest rules say "only flying machines similar in construction to that used by the Tailor of Ulm" may be used and fliers have to jump from the same wall.

Turkish Playboy Planned

ISTANBUL — Playboy will start distributing a Turkish edition next week — the first Playboy to be published in an Islamic country, according to Ali Saydam, chief editor of Playboy Turkey.

The Arditi Quartet, performing works by Giacinto Scelsi, Villa Medici, Rome, Dec. 12.

Mark Hunter is a journalist who writes about cultural affairs in Europe.



PALACE SPHERES — Two fountains by the Belgian-born artist Pol Bury, who this week won a French government prize for sculpture, have been installed at the Palais Royal in Paris. Seventeen stainless-steel spheres form the centerpiece of each fountain.

The Arditi Quartet: In Contemporary Music, Playing More Than the Notes

By Mark Hunter

PARIS — Irvine Arditi's manner suggests a man with a monopoly on a rare commodity, which is not far from the case. The Arditi Quartet, which he founded in 1974 with three classmates from the Royal Academy of Music in London, has become Europe's most celebrated string ensemble specializing in contemporary compositions.

The composer Iannis Xenakis said the solo performance of his "Nomos Alpha" by the quartet's cellist, Rohan de Saram, Dec. 2 at the Théâtre du Rond-Point in Paris was "the best I've ever heard." The quartet's pre-eminence is such that, when told of Xenakis's comment, Arditi grinned and remarked, "He often says things like that to us."

When he began the quartet (the other two members are Alexandre Balanescu, second violin, and Le-

vine Andrade, viola), "studies in contemporary music at the academy were very poor," he noted. "You had to do it for yourself." The remark still largely applies across Europe. Arditi said that at a seminar in Orleans in late November "I was showing the students things no classical teacher could show them. One does need a firm classical basis — you can't play Xenakis if you can't play in tune — but in new music one has to understand the priorities for performance. Often we're playing shapes — such as sustained glissandi or clusters of plucked notes — not melodies or lines. And the dynamic contrast is more important, because the extremes are greater." Those extremes range from silence to wall-shaking amplified crescendos.

From the time he began listening to new music in his teens — in

particular electronic works such as Karlheinz Stockhausen's "Hymnen," Arditi recalled — "the sounds were what excited me." Since then composers have steadily incorporated sounds similar to those made with electronic devices into the repertoire for acoustic instruments. In the process, the music notation has at times diverged from the sounds it tries to describe. "It's not always clear on paper what a composer wants," Arditi said. "Realization can be very different from the notation." The quartet makes a point of rehearsing with the living composers of the 200 pieces in its repertoire.

"All music has a direction. Not many people recognize that element. A lot of performers in this field just play the notes, because that's hard enough, and it's difficult to see the direction as well."

Moreover, the techniques demanded of string players in this genre are practically athletic. One passage of "Nomos Alpha" required Saram to quickly lower the bottom string of his cello an octave in pitch, then play the open string against a harmonic on the next string — which meant that if his breakfast tuning job was off, the result would be mere noise. (He was right on pitch.) In another segment of the piece, Saram had to play harmonics on the first and fourth strings simultaneously, and the only way to do that is to reverse the bow and play under the strings. "There were some crazy Italians who tried things like that in the 17th century," said Saram, "but such practices are hardly common today."

The key to performing contemporary music, said Arditi, is "the articulation of extremes. In classical pieces you're playing times that have to be evened out. In contemporary music the sounds come from nowhere. Composers like Xenakis want to hear a crunch, to distort the sounds. And that demands a more subtle technique," to keep the "crunch" from running out of control.

Increasingly, the quartet has become involved in broadening musical extremes; this fall it introduced 30 new works, including "our first minimalist piece, by Philip Glass," Arditi said. Another direction is anything but minimal: performing with the electronic Read string in-

struments recently developed by the Canadian engineer-musician Richard Armin and used by the quartet for works by James Dillon, Giacinto Scelsi and Tim Souster at the Centre Pompidou last Wednesday.

While bugs in the sound system (a feature of rock concerts that is becoming typical in "classical" performances) added unpleasant noise to Dillon's lyrical String Quartet, Souster's "Hambleton Hill" for string quartet and tape signaled the Raads' extraordinary potential in

the hands of accomplished players and competent sound technicians. With the composer at the sound controls, the quartet moved through passages soft as a whisper to a roaring climax that would have been incoherent with previous amplification methods.

"We have to see the possibility of having new pieces written for these instruments," Arditi said.

"We think it's necessary to represent all the areas we can satisfactorily play. I don't think one could put two current composers together

and say they were a school. That very definitely distinguishes this period from the 1950s, and it makes things much harder for the performer. But this is a strained world, and art has to represent what's going on."

The Arditi Quartet, performing works by Giacinto Scelsi, Villa Medici, Rome, Dec. 12.

Mark Hunter is a journalist who writes about cultural affairs in Europe.

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Business takes off with Falcon

Herald Tribune

Published With The New York Times and The Washington Post

The Post-OPEC Priorities

Once mighty OPEC has abandoned its struggle to prop up oil prices. If members expand output as much as oil analysts expect, the price of a barrel could soon fall as much as \$10 from the current \$28 OPEC benchmark.

That would be just desert for a greedy cartel and a striking lesson in the capacity of the industrialized world to resist economic strangulation. But a collapse in oil prices would be unalloyed good news. It could kill us into again accepting dependence on imported energy. And it certainly promises a new shock to the economies of poor oil-producing nations like Mexico, Indonesia and Nigeria. Unless importing nations act to secure the benefits, the decline in oil prices could prove almost as harmful as the steep increases of a decade ago.

In hindsight, OPEC's undoing seems to have been inevitable. The razor-thin margin between consumption and production capacity in the 1970s allowed it to quadruple the real price of oil without making tough decisions about how to divide the market. But as prices exceeded \$30 a barrel the world's supply of oil quickly rose and consumption declined. It was then up to Saudi Arabia, the only OPEC member whose production capacity far exceeds its need for revenue, to defend the cartel price by slashing production from a peak of 12 million barrels a day to just 2 million.

Now, thanks to production increases by non-OPEC members, including Britain and Norway, Saudi Arabia has lost its leverage to hold the price at \$28. How much more prices

will fall and how long it takes for the market to tighten again will depend on the actions of importers as well as producers.

If importing nations, notably the United States, pass on the entire price reduction at the gasoline pump, consumption will drift upward and hasten OPEC's resurgence. But if they use the opportunity to tax away the windfall, they would preserve the incentives for conservation and push the cartel threat farther into the future. Moreover, such a relatively painless tax on imports could go a long way toward balancing the federal budget: a \$10-a-barrel import fee would raise revenues by \$40 billion a year.

Prudence in husbanding this gain should be matched by an enlightened, self-interested sympathy for the losses of producers. Not every oil exporter's dollar is spent on surface-to-air missiles or Rolle-Royces.

Much of the West's oil is now bought from undeveloped, deeply indebted Third World nations. We cannot make up their revenue losses or quickly repair the damage done by their recent free spending of the oil bonanza. But Western national interests would be damaged by the further impoverishment of people who already live on the edge of subsistence. So this will be a time for sympathetic responses to requests for delay in debt repayments, and also for help in diversifying the economies most dependent on raw material exports.

The demise of OPEC is a hard-won gain. It should not be squandered.

—THE NEW YORK TIMES

The Deficit Show Goes On

It is December, and the White House omni-reports that the deficit for the coming budget year, fiscal 1987, will be close to \$200 billion. Yes, you have been down this road before. The cycle has become a ritual as highly stylized as Japanese classical drama. The fourth annual performance is now beginning.

Each year in December the White House warns of a tremendous deficit ahead unless there are great changes. There follow six or eight months of intense struggle between President Reagan and Congress over spending cuts. In midsummer a budget resolution emerges, and its authors explain that, while the immediate cuts are small, the country has been reliably set on a path toward deciding deficits in the future. And then, some time after Thanksgiving, the president's budget director solemnly announces that the deficit projection is once again up in the range of \$200 billion. It is as if the deficit were on a spring.

Why does it keep happening? The basic reason is that the tax cut of 1981 has left the government without enough money to provide the basic services that most Americans, including Mr. Reagan, consider essential. This reality has been annually papered over by forecasts that have proved too hopeful.

Perhaps the ritual will change next year. You can already hear hints of it. Eminent people have begun quietly to suggest that, as a

practical matter, it might be better not to reduce the deficit drastically just now. While a large deficit is not a desirable way to keep the American economy growing, this argument runs, it is essential in present circumstances to avoid a recession. Recession in the United States would have a fearful impact on Latin America, and might result in waves of defaults on debt. Financial institutions are also under great strain, you will be reminded, and a recession might accelerate a rate of bank failures that is already disquieting. A U.S. recession would send European unemployment sharply higher, and it is already over 11 percent.

Those are all valid points. But a more immediate concern is the effect of a recession on American politics. After much brave talk earlier in this administration about savings and investment, the economy is expanding now only because of an enormous wave of borrowing and consumption. Nobody approves of it, but very few people are prepared to risk a recession to change it. The 1987 budget now being drafted is for the year that precedes the next presidential election campaign. If the president and Congress do not get the deficit under control this winter, it is unlikely that there will be another attempt before the next presidential takes over. In terms of the budget and fiscal policy, that means 1990.

—THE WASHINGTON POST

Now It's Women's Turn

Two decades ago a landmark report from the surgeon general of the United States declared that cigarette smoking was a major cause of lung cancer. That warning did not fall on deaf ears as proved by a new report from the National Cancer Institute. The lung cancer rate among white males leveled off in the mid-70s and has now declined significantly for the first time in 20 years. There is reason to hope that the decline will continue, for the percentage of smokers among adult American males has declined since 1965 from 52 to about 30.

The news is not so encouraging, however, for black men and for women in America. Both groups show an increase in lung cancer. Although black males are more likely to hold jobs associated with disease risks, it is also true that significantly more black males than whites still smoke cigarettes. Urban tension

and alcohol consumption are suspected as contributing factors. Blacks appear also to be less likely than whites to have switched to cigarettes with lower tar and nicotine.

As for women, they seem still to be turning to cigarettes as they take work outside the home. Despite the medical warnings, the percentage of female smokers has declined by only 3 percent in 20 years. As Joseph Califano, the former secretary of health, education and welfare, once put it, "Women who smoke like men die like men." Lung cancer deaths in women have increased by 250 percent in the last 15 years; by the year 2000 their rate will probably surpass that among men.

Surely the improved health of white males bears a clear message for all. Smokers ought to take it to heart and save their lungs.

—THE NEW YORK TIMES

Other Opinion

Not the Way to Help UNESCO

Britain and Singapore may deny that their decision to quit at the end of the year has been influenced by the United States. (But the three countries have more in common with one another than with the majority of nonaligned Third World nations that derive much from UNESCO and have decided to stay within it.)

The decision to quit is not without contention, with strong protest in Britain from among the parliamentary opposition and the more liberal ranks of the Conservative Party.

There have also been objections to Washington's decision within the United States, while Singapore's position is not shared by its ASEAN partners. Quit decisions are not only defeatist, they deprive poorer countries of certain development opportunities, and conflict with the spirit of international cooperation.

Where difficulties arise in UNESCO, they are more likely to be overcome within than from outside. Financial blackmail is certainly not the most democratic or even the most effective means of achieving reform.

—New Straits Times (Kuala Lumpur)

FROM OUR DEC. 11 PAGES, 75 AND 50 YEARS AGO

1910: Communities Clash in Calcutta
CALCUTTA — The agitation among the Hindus against the proposed sacrifice of cows by the Mohammedans on the occasion of the Bakrid festival continues. The Kabuli section of the community attacked the Marwaris [of the Hindu merchant caste] and many a free fight ensued [on Dec. 9]. Trains were attacked, and some fifty to a hundred people were injured. The Bengal Government has informed the Marwaris that the Government has no intention of interfering with religious practices. [On Dec. 10] a large crowd of Mohammedans advanced into the Marwaris quarter. The arrival of the military failed to deter the mob. The police charged the Mohammedans, who fled. About eighty rioters were wounded.

1935: The British Flag for Filipinos?
WASHINGTON — The Philippines may ask for territorial status within the British Empire, Roy Howard, newspaper publisher, said [on Dec. 10]. The Filipino dream of independence is fading, he said, and it seems Congress will be asked to make permanent the present government in the Philippines under the American flag. "Japan's arms, which are stretching out ever more menacingly, today are casting a dark shadow over the Philippines," he said. He predicted that if Americans remain disinterested in the prospective move for the permanent affiliation of the Philippines with the United States, business leaders in Manila "will approach Britain with a request for territorial status under the British flag."

A Sham Designed to Evade Hard Choices

By David S. Broder

WASHINGTON — The label on the "Gramm-Rudman deficit reduction plan" has a nice rhythm and rhyme to it. But a more accurate name for the measure that Congress is likely to embrace this week, as a way of dodging the blame for the runaway deficits, is the "Rudman-Gramm balanced-budget sham."

The rationale for reversing the names of the principal sponsors — Representative Phil Gramm, a Texas Democrat, and Senator Warren Rudman, a New Hampshire Republican — is that Gramm-Rudman is the opposite of what it purports to be.

In the name of predictability — a measured five-year progression to a zero deficit — the legislation deliberately invites chaos.

In the name of responsibility, it virtually guarantees that the deficit problem will be passed back and forth between President Reagan and Congress like a hot potato.

In the name of fairness, it grants budgetary immunity to politically privileged programs and guarantees that programs whose beneficiaries are weaker will take a disproportionate share of the cuts.

Under the guise of toughness, it maintains the conspiracy of silence about the need for more revenues, and thus invites Mr. Reagan to maintain the anti-tax stance that is the principal cause of the deficits.

A remarkable thing about Gramm-Rudman is that many who are voting for it know it is a sham. Representative Leon Panetta, a California Democrat and one of the cosponsors who crafted this marvel, told The New York Times: "The theme in what we did was to make this thing so irrational, so ugly that it works as a club."

The "club" is the threat of implementing this "ugly" and "irrational" process. Rather than let the slashes in unprotected domestic and defense programs required by Gramm-Rudman take effect next year, the sponsors say, the president and the leaders of both parties in Congress will sit down to negotiate a more sensible set of budget compromises.

To which the experience of the past five years screams: Fat chance. For five years Ronald Reagan has dug in to protect his sacred cows (strategic weapons and lower tax rates) and the Democrats have been equally vigilant for theirs (Social Security and Medicare). Gramm-Rudman does not require either to yield an inch. Instead it posits that Mr. Reagan and the Democrats will join in an assault on other, unprotected spending.

They will not. What they will do is try to outfox each other in a game of legislative-executive chicken that bears no resemblance to a sensible consideration of the merits of rival budgetary claims. Faced with the mindless Gramm-Rudman mandate to cut unprotected defense and domestic spending, 50-50, across the board, Congress will be invited to appropriate even more lavishly than it does now — and Mr. Reagan to veto appropriations even more offhandedly. Out of this mischief and chaos, the most basic policy of the

government of the world's most powerful nation is somehow to emerge. It is a fraud — and a fright. Any proposal that addresses the budget process instead of immediate and real choices on spending and taxes is a fake. And Gramm-Rudman is a dangerous fake, because it invites — indeed, requires — irresponsible behavior at every stage by every one of the major players in the legislative and executive branches.

The case against Gramm-Rudman was conclusively made last month by Senator Charles McC. Mathias, the Maryland Republican who is retiring next year and is free of the requirement for political posturing that persuades so many of his colleagues they had better vote for this travesty.

Gramm-Rudman "searches for a way to evade the hard choices that deficit reduction demands," Senator Mathias said. "It strives for a way to reach that goal without taking responsibility. It represents budget balancing by anonymous consent."

And he shares the doubts that have been raised about constitutionality. The Gramm-Rudman process invests three sets of appointed civil servants — in the Office of Management and Budget, the Congressional Budget Office and the General Accounting Office — with authority to require one elected official, the president, to impose funds lawfully appropriated by another set of elected officials in Congress. If that is what the founders intended, it is a puzzle why America bothers with elections.

But beyond that, Senator Mathias said, "the measure before us raises another, equally troubling danger, the danger of abdication of constitutional responsibility. The proposal strives for a system that makes both legislators and the executive impotent spectators of the budget process. But it will fail and it deserves to fail."

He is right. And when the failure and the fraud of Gramm-Rudman becomes evident next year, I hope the voters will deal with those who concocted and supported it.

The Washington Post



A Test for Journalism: Keep Covering South Africa

By Flora Lewis

WASHINGTON — The South African government sought to justify the orders it issued on Nov. 2 to keep reporters and photographers away from scenes of violence with the claim that their presence provoked the violence. It was hogwash. The evidence now shows that violence has continued unabated. After the attempted blackout was imposed there were 13 people killed in Mamelodi on one day. Unrest in black communities has increased, if anything, it was not staged for cameras.

There remains the question of how successful the authorities have been in hiding the struggle. Pretoria was not just trying to conceal the news from its own constituents; there has long been censorship. The point was to hide it from the rest of the world, particularly from Americans.

The most serious blow to the apartheid regime so far, much more effective than sanctions, has been the run on the rand, the renunciation of foreign banks to grant credits, the second thoughts of investors about the safety of their capital. Pretoria apparently concluded that these people would not react if the scenes were kept off television and front pages.

But lack of news has not stopped fighting in Johannesburg or between Inkatha and the army. It is possible to shut down all but a trickle of information about countries that don't want the world to know how they repress their disfavored people. But the price is total dictatorship, and isolation from the free community.

That is South Africa's dilemma. It wants to

belong to the Western world, not to be shut off as a pariah. It wants to maintain the good life for its privileged whites, which requires keeping economic, cultural and other contacts. It wants the assurances of democracy, the satisfaction of freedom, but only for the ruling minority.

In the long run it will not work, as the United States found out in the Civil War.

Meanwhile, South Africa's partial news ban is a challenge to Western media. On Tuesday the New York-based Committee to Protect Journalists was presenting a petition and organizing protest demonstrations at South Africa's United Nations mission in New York and its embassy in Washington. That would get on the air.

The challenge is not only the imposition of harassment and barriers with which reporters and cameramen have had to become familiar in full-scale police states. It is a challenge to integrity, determination and integrity of those whose profession it is to provide the news.

Newspapers have had an easier time than television in South Africa. Reporters don't stand on a newsstand as camera crews, they can sometimes duck around and get to the scene of action. They have contacts whom they can interview after incidents, and they can tell the story even if they are obliged to take it secondhand.

Print journalists are obliged to request police permission and accept a police escort to observe

troubles that break out. Nonetheless, editors say they are getting and publishing the facts. But television and radio people have been ordered to stay away from emergency areas, on pain of imprisonment, high fines and expulsion.

Television has a greater problem, which presents a conflict between news judgment and ethics. Inevitably television goes for the story with the good dramatic picture. Should that policy be deliberately overruled when pictures are blacked out by government order?

The answer is clearly yes. It is the responsibility of editors to continue presenting the news, even in the dull form of an oral report against a blank screen or a background of earlier file pictures, with an explanation every time that South Africa has banned films of current events.

Network officials say they are doing what they can. South Africa complains that earlier reports gave a misleading impression of the whole country in flames. The CBS foreign news editor, Sam Roberts, says that his network could do more, in greater depth, if it were not refused sufficient visas. But he says, "We won't give up."

This is a test for American journalism, but also for the public. It will influence future editorial judgment if the results show that people are not interested unless they see shocking pictures — or if they show that people cannot be hoodwinked by the blackout and understand its purpose. It is a fine case for demonstrating what both purveyors and consumers mean by a free press.

The New York Times

Democracy Needs News; Terrorists Need Scrutiny

By Katharine Graham

Mrs. Graham is chairman of the board of The Washington Post Company. The following, the second of two parts, has been adapted from the 1985 Churchill Lecture, which she delivered at Guildhall in London on Dec. 6.

It is this ABC News television picture, distributed by The Associated Press last June, of a terrorist with a gun aimed at John Taylor, the captain of a TWA aircraft in flight.

statement be printed in several newspapers, including The Washington Post, before it would release 50 hostages. We printed the statement in its entirety, the smallest type size we have, in 37 copies at the end of our press run. Today I am not sure we would accede to this demand in any form.

Another challenge is how to avoid bringing undue pressure on the government to settle terrorist crises by whatever means, including according to the terrorists' demands. State Department spokesmen tell us that media coverage does bring pressure on the government, but not undue pressure. All the same, I believe there are pitfalls of which the media should be exceedingly careful.

One is the amount of coverage devoted to a terrorist incident. During a crisis we all want to know what is happening, but constant coverage can blow a terrorist incident far out of proportion to its real importance. Overexposure can preoccupy the public and the government to the exclusion of other issues.

Another pitfall is the problem of interviewing the families of hostages. There is a natural curiosity about how those near and dear to the captured are reacting to the life-or-death event, but the media can go too far. Tasteless invasion of privacy can result. More to the point, there is a real danger that public opinion can be unjustifiably influenced by exposure to the hostages' relatives and their views. This can force a government's

that people can and do make intelligent decisions about great issues if they have the facts. But some politicians appear to be afraid that people will believe the terrorist's message and agree not only to his demands but also to his beliefs. And so they seek to muzzle the media.

Ultimately, a terrorist attack is a self-defeating platform; terrorists in effect hang themselves whenever they act. They convey hatred, violence, terror itself. There was no clearer image of what a terrorist really is — than the unforgettable picture of that crazed man holding a gun to the head of the pilot aboard the hijacked TWA jet. That said it all to me.

Suppressing or rationing the news provides no solution for the long term. If a government cannot make its case by democratic means in the face of violence, its policies must be misguided. Witness the current events in South Africa. The government has banned television cameras from areas of unrest and made it difficult for print journalists to report what is happening. But censorship won't work in the long run.

In short, the media serve the interests of democracy best by gathering the news and reporting the facts as best they can. Having exercised sound judgment on the basis of high professional standards is the best we can ask. It is all we should ask. Publicity may be the oxygen of terrorists, but news is the lifeblood of liberty.

International Herald Tribune

LETTERS TO THE EDITOR

Relief Work in Sudan

In response to your report "Sudan Expels Three Relief Organizations" (Nov. 29) stating that the International Catholic Migration Commission is being expelled from Sudan, the ICMC categorically denies any involvement in the airlift of Falashan Jews to Israel via Sudan. At no time did the ICMC participate in the planning or implementation of that airlift. The ICMC has been involved since 1981 in the processing of Ethiopian refugees for resettlement to the United States from Sudan. Its activities have been carried out with the full knowledge of Sudanese authorities.

ELIZABETH WINKLER
General Secretary
ICMC, Geneva

For an Afghan Solution

Flora Lewis provides a concise summary of the Afghan situation as it really is. ("How to Help the Soviet Union Get Out of Afghanistan," Nov. 30.) Militarily there is no way out for either side. Hamidullah — Afghan solidarity has just been incorporated in West Germany with the purpose of becoming a forum for democratic discussion of political possibilities. Many exiled compatriots are backing this effort. We agree that what Afghanistan needs is a democratic, not a military, government. And of course we will need the unselfish help of friends in the West.

ABDUL K. ASSADI
Hamidullah — Afghan Solidarity
Würzburg, West Germany

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WEDNESDAY, DECEMBER 11, 1985

INTERNATIONAL MANAGER

Tax Breaks May Spread
Stock Options in Europe

By SHERRY BUCHANAN

International Herald Tribune

PARIS — U.S. chief executives can become millionaires through attractive stock-option plans. But in Europe, some companies still wonder whether giving a chief executive the opportunity to become a millionaire through a stock-option plan is worth it to the company and to its shareholders.

In 1984, 23 of the 25 highest-paid chief executives in the United States earned more than \$1 million in long-term compensation, which includes options and cash bonuses.

"The concept of being a very rich man through working as a manager for shareholders is not one that has really taken root here yet," said a British executive with a large multinational. That privilege usually is reserved for company owners.

But if European countries continue to grant and enforce tax breaks for executive stock options, corporate managers are likely to change.

Most plans give executives the option to buy a certain amount of stock in the future — usually three years down the road — at today's prices. The executive benefits only if the share price rises during the option period.

"Some companies fear that the schemes might actually encourage executives to leave if after exercising their options, they use their gains to take early retirement or to set up their own business," says Tony Vernon Harcourt, remuneration specialist and partner of Monks Publications in Stratford-on-Avon, England.

Some British and French companies do not want to use stock-option plans as an incentive for top executives, believing instead that option plans should encourage greater corporate democracy by increasing the employees' identification with the company and their stake in its future.

According to a November 1985 survey by Coopers & Lybrand and Monks Publications, most British companies with such plans grant them to executive directors or to directors of the principal subsidiary companies. On average, a group of companies with 10,000 employees will grant executive stock-option plans to 60 top executives, the study found.

"The nature of our share-option scheme was not designed as a hot-shot executive incentive package," said Don Patterson, group manager of employee relations at BAT Industries PLC, the diversified British group. "In the United States, success is admired. But in Britain, one of the problems is getting over the 'we-and-they' attitude, where employees don't see any community of interest with shareholders."

BAT's stock-option is open to all employees in Britain who have been with the company at least four years. It is a one-shot package of options with a market value equal to an employee's annual salary.

TAX BREAKS are now available for executive stock-option plans in Britain, but even if a company believes in a more widespread distribution of the shares, most companies may resist introducing such plans except for upper-level managers. The 1984 legislation reduced capital-gains taxes to 30 percent from 60 percent.

"There is no particular logic to remuneration, it's a market," said another British executive at a company with a stock-option plan for all employees. "We have simply not been driven into it."

(Continued on Page 15, Col. 1)

Dresdner
In Pact to
Sell Unit

UBS to Acquire
Laenderbank AG

By Warren Guder

International Herald Tribune

FRANKFURT — Union Bank of Switzerland, Switzerland's largest, said Tuesday that it had agreed to acquire Deutsche Laenderbank AG, a wholly owned subsidiary of Dresdner Bank AG, for an undisclosed price.

Laenderbank, which specializes in international commercial credit and trading in securities and foreign currency, formerly belonged to UBS. Dresdner acquired a 75-percent interest in the Frankfurt-based bank from UBS in 1969 and then took complete control in 1980, a Dresdner Bank official said.

The unit has assets of about 3 billion Deutsche marks (about \$1.2 billion).

Under terms of an agreement reached with Dresdner, UBS said it would retain full control of Deutsche Laenderbank on Jan. 1.

UBS officials said they have notified the West German Federal Cartel Office in Berlin of plans to lodge a formal application for acquisition approval.

The move, if approved by West German cartel authorities, would be one in a series of recent acquisitions into the newly liberalized Frankfurt capital market by major Swiss banks.

Over the past year, Credit Suisse has bought control of Credit Bank, Genéve and Effektenbank-Warburg AG, two West German banks with combined assets of some 3 billion DM, while Swiss Bank Corp. has established its own full-underwriting subsidiary here.

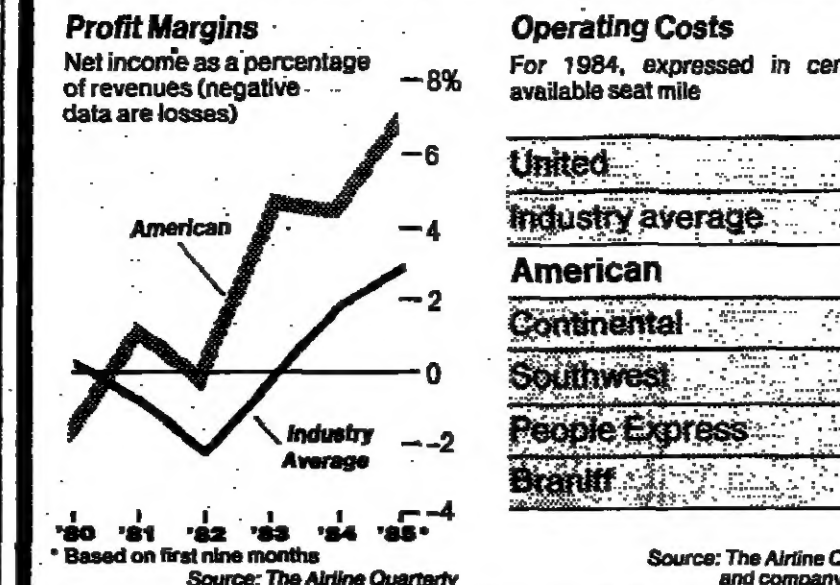
U.S. investment banks acknowledged last week that they, as well, are considering establishing a presence in Frankfurt next year, attracted by West German central bank reforms that include allowing resident foreign banks to lead-manage mark-denominated Eurobonds.

Salomon Bros. said it has leased office space in Frankfurt for an initial representative office that could be expanded into a larger banking presence.

UBS officials in Zurich acknowledged that the bank, which obtained a listing on the Frankfurt Stock Exchange in July, is extremely eager to participate in Frankfurt's robust bond-underwriting and securities-trading business.

Under Bundesbank guidelines established in May, foreign banks can lead-manage DM-denominated Eurobonds only if they are legally incorporated as German banks, whether through an acquisition or through the establishment of a fully licensed subsidiary.

American Pressed by Low-Cost Competition



One Big Airline's Survival Strategy

American Slashes Costs to Stave Off Discount Carriers

By Thomas C. Hayes

New York Times Service

DALLAS — American Airlines has for years talked about establishing a hub in Denver, a market dominated by its arch rival, United Airlines. The city, at the edge of the U.S. central plains, is a natural gateway for routing business travelers to Los Angeles, San Francisco, and beyond, to Asia.

Yet Robert L. Crandall, the shrewd and cocky chairman of American's parent, AMR Corp., balked recently at the prospect of buying a ready-made base in Denver. Despite a war chest of \$1.3 billion in cash, he sat by as People Express bought Frontier Airlines, the largest Denver-based carrier, for nearly \$300 million.

Mr. Crandall has by no means lost interest in Denver. But, with American's two-tier wage contracts in place, with its cost per seat-mile of capacity among the lowest of the major carriers, and with its cash flow high, the airline is finding it cheaper

to move into new markets with its own planes and crews. American has already earmarked \$6 billion over the next five years to add 160 planes to its fleet of 290 — an expenditure that Mr. Crandall expects will turn out to be a prime cost-cutting move. "It is that principle of low costs that drives us toward internal growth," he said.

Cost control is the cornerstone of the 50-year-old chairman's strategy to help American compete against the numerous airlines hungrily eyeing its markets. For American, it is a strategy of survival. Although the company is highly profitable, it has so far been stalled in its attempts to develop new foreign markets. Thus, its prime avenue for growth, at least for now, has to be domestic. And that means getting costs low enough to afford the discount fares needed to keep People Express and other upstart competitors at bay.

For now, despite their popularity with the flying public, American is finding it cheaper

Gorbachev Assails U.S. Trade Rules

Compiled by Our Staff From Dispatches

MOSCOW — Mikhail S. Gorbachev said Tuesday that U.S.-Soviet trade relations could not fully develop if the United States continued to deny the Soviet Union most-favored-nation trading status and imposed commercial embargoes.

The Soviet leader, addressing U.S. Commerce Secretary Malcolm Baldrige and 150 U.S. business executives at a dinner in the Kremlin, said that as long as such obstacles existed, "there will be no normal development of Soviet-U.S. trade and other economic ties on a large scale."

About 400 U.S. executives and observers are in Moscow for a meeting of the U.S.-U.S.S.R. Trade and Economic Commission that opened Monday. About 250 Soviet trade officials are taking part.

Earlier, President Ronald Reagan said in a message to the commission, "both of us agree that an expanded trade relationship is one

way we can build on that new start from Geneva," where Mr. Gorbachev and Mr. Reagan met last month. Mr. Baldrige said the Soviet leader "clearly felt that a good beginning had been made."

Mr. Baldrige said the Reagan administration had taken some action beneficial for U.S.-Soviet exchanges, such as strengthening safeguards of the sanctity of trade contracts.

But he said he saw no "immediate plan" to give the Soviet Union most-favored-nation status, because he believed that Congress would not pass such legislation now.

U.S.-Soviet trade fell from about \$4 billion in 1979 to about \$2 billion in 1980 because of sanctions imposed by Washington after the Soviet intervention in Afghanistan. The United States currently sells \$2.6 billion worth of goods annually to the Soviet Union but imports only \$600 million.

Tass reported that five U.S. companies had signed contracts with the U.S.S.R. State Committee on Science and Technology during the talks.

(AP, UPI, Reuters)

Currency Rates

Currency	Rate
U.S. Dollar	1.00
West German Mark	1.78
Swiss Franc	1.48
French Franc	6.55
Italian Lira	1,366
Japanese Yen	163.6
British Pound	1.60
Spanish Peseta	166.6
Portuguese Escudo	200.4
Belgian Franc	36.36
Dutch Guilder	3.76
Austrian Schilling	13.76
Scandinavian Krona	136.5
Israeli Sheqel	3.48
Indian Rupee	47.8
Pakistani Rupee	147.5
Thai Baht	50.7
Singapore Dollar	1.36
Malaysian Ringgit	2.36
Philippine Peso	49.6
Indonesian Rupiah	1,576
South African Rand	12.7
New Zealand Dollar	1.36
Argentine Peso	166.6
Chilean Peso	800.0
Colombian Peso	200.0
Venezuelan Bolivar	200.0
Uruguayan Peso	100.0
Peruvian Sol	3.33
Ecuadorian Dollar	25.00
Bolivian Boliviano	100.0
Paraguayan Guaraní	100.0
Uruguayan Peso	100.0
Argentine Peso	166.6
Chilean Peso	800.0
Colombian Peso	200.0
Venezuelan Bolivar	200.0
Uruguayan Peso	100.0
Peruvian Sol	3.33
Ecuadorian Dollar	25.00
Bolivian Boliviano	100.0
Paraguayan Guaraní	100.0

Source: Reuters, Commercial, Credit, Bank of Tokyo.

Interest Rates

Instrument	Rate
3-month T-bill	7.125%
6-month T-bill	7.125%
1-year T-bill	7.125%
3-month Treasury note	7.125%
6-month Treasury note	7.125%
1-year Treasury note	7.125%
3-month Corporate bond	7.125%
6-month Corporate bond	7.125%
1-year Corporate bond	7.125%

Source: Reuters, Commercial, Credit, Bank of Tokyo.

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Source: Reuters, Commercial, Credit, Bank of Tokyo.

U.S. Ready for Canada Trade Talks

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — President Ronald Reagan is to notify Congress soon that he wants to begin negotiating a more liberal trade agreement with Canada in the new year, administration officials said.

The action, required under U.S. trade law, will set in motion a process that could lead to important reductions in the remaining tariff and non-tariff barriers between the two countries. Already nearly 80 percent of Canada's exports to the United States enter duty-free, while 65 percent of U.S. exports pay no tariffs to Canada.

Negotiations could start in the spring. Despite strong desires in Ottawa and Washington to formalize trade, the talks could take two or three years because of the complexity of some issues and fears on both sides about being disadvantaged.

In Congress, members whose districts have lumber, steel and other industries sensitive to trade with Canada were expected to try to extract concessions.

"I'll do what I can to prevent congressional approval until I see satisfactory progress of Canadians backing off their subsidy of timber," said Senator Max Baucus, a Montana Democrat who is a

member of the Senate Finance Committee.

Canada has moved cautiously toward a new trade pact with the United States since Brian Mulroney became prime minister in September 1984. In September 1985, the Canadian leader, who is a Progressive Conservative, officially informed Mr. Reagan that Ottawa wanted negotiations to begin.

The pre-notification of Congress is an official signal that Washington is ready to negotiate as well.

The president will tell the two congressional committees primarily concerned with trade, the House Ways and Means Committee and the Senate Finance Committee, that they have 60 legislative days in which to object to the start-up of negotiations.

Both sides have already designated their chief negotiators. Ottawa announced that Canada's will be Simon Reisman, former deputy minister of finance, who negotiated a free-trade pact in automobiles with the United States in the mid-1960s. According to Washington officials, his U.S. counterpart will be Peter O. Murphy, a former chief American textile negotiator. He has been the deputy U.S. trade representative in Geneva for the last three years.

The Reagan administration is expected to ask the International Trade Commission, a federal trade-investigative agency, to report on the impact of free trade with Canada on sensitive U.S. industries.

(AP, UPI, Reuters)

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U.S. Purchasers
Are Optimistic
About Next Half

United Press International

NEW YORK — U.S. purchasing executives see improved economic growth and moderate inflation in the first half of 1986, but their optimism cools when looking at the latter part of the year, the National Association of Purchasing Management said Tuesday.

"Our members are optimistic that the growth in the economy registered over the past four months will continue in the first half of 1986 before moderating later in the year," said Robert J. Bretz, a Pitney Bowes Inc. executive who is chairman of the association's survey committee.

The NAPM's semiannual survey is based on data from purchasing managers at 250 industrial companies. The group's monthly survey is widely followed on Wall Street. Its members represent a sector that comprises about 23 percent of gross national product — the total value measure of a nation's goods and services, including income from foreign investments — and thus their actions have a significant impact on economic growth.

While 33 percent of the association's members expect prices to rise in the first half, 97 percent believe the increases will be slight or moderate and 86 percent said their increases would be selective and not across-the-board.

"With inflation not a factor, they expect 1986 will be better than 1985," by a margin of better than three-to-one, Mr. Bretz said. The purchasers expect modest growth in the first quarter that will pick up in the second quarter.

Looking further, optimism cools as only 37 percent see the second half of 1986 as being better than the first, Mr. Bretz said. He also said that 60 percent of the managers expressed some concern about prices for all of 1986.

Mr. Bretz said that the impact of the weaker dollar on prices of foreign suppliers was particularly worrisome. He said managers indicated that they already were beginning to see price pressures from Japanese suppliers because of the stronger yen.

The managers also were concerned about the possible impact of tax reform and this, along with the uncertain outlook for the dollar, were principal factors in their can-

tion over the second half of the year.

The response to the latest survey showed:

• Companies are operating at a slightly lower rate of capacity than in May, but at the same level as in December 1984, when 27 percent said they were operating at 90 percent or better of capacity.

• Thirty-nine percent of managers of industrial companies expect higher capital expenditures in the next six months, about the same percent as in December 1984. But the percentage who expect to spend less on capital purchases increased to 33 percent from 23 percent last year. For 1986 as a whole, NAPM members see lower capital expenditures, with only 36 percent saying they expected them to rise.

• The 33 percent who expect higher prices in the next six months was down from 90 percent who believed last year that inflation would accelerate in the first half of 1985, a prediction that did not come to pass.

Peru Suspends
All Repayments
On Debt to IMF

Reuters

LIMA — Peru said Tuesday that it had suspended all debt repayments to the International Monetary Fund because it did not expect to receive any fresh loans from the lending body.

Prime Minister Luis Alva Castro said the suspension would last until at least August of 1986. He said Peru had not made any payment since the first days of last August.

The government said it will pay only creditors who remit money to Peru than they receive. It has vowed to pay only 10 percent of its exports to creditors.

Mr. Alva Castro said that the limit applied only to payments on the public sector's medium- and long-term debt, which central bank sources put at \$11.25 billion of Peru's total debt of about \$14 billion.

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
IBM	168.50	167.50	168.00	+0.50	
AT&T	128.00	127.00	127.50	+0.50	
GE	115.00	114.00	114.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Index	1685.50	1675.50	1680.00	+4.50	
Indus.	1285.00	1275.00	1280.00	+5.00	
Transp.	105.00	104.00	104.50	+0.50	
Comp.	59.48	58.52	58.77	+0.25	

NYSE Index					
High	Low	Close	Chg.		
Composite	117.00	117.00	117.00	+0.10	
Industries	128.00	128.00	128.00	+0.10	
Utilities	115.00	115.00	115.00	+0.10	
Finance	127.44	127.44	127.44	+0.10	

**Tuesday's
NYSE
Closing**

Vol. of 4 P.M. 155,000,000
Prev. 4 P.M. vol. 148,000,000
Prev. consolidated close 148,000,000

Tables include the nationwide prices
to the closing on Wall Street and
do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries					
Class	Chg.	Prev.			
Advanced	1.00	1.00			
Declined	1.00	1.00			
Unchanged	1.00	1.00			
New High	1.00	1.00			
New Low	1.00	1.00			
Volume down	1.00	1.00			

NASDAQ Index					
Class	Chg.	Week	Year		
Composite	117.00	117.00	117.00		
Industries	128.00	128.00	128.00		
Utilities	115.00	115.00	115.00		
Finance	127.44	127.44	127.44		
Transport	105.00	105.00	105.00		

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	
Amgen	105.00	104.00	104.50	+0.50	

Dow Jones Bond Averages					
Class	Chg.	Prev.			
Bonds	115.00	115.00			
Utilities	115.00	115.00			
Industries	115.00	115.00			

NYSE Diaries					
Class	Chg.	Prev.			
Advanced	1.00	1.00			
Declined	1.00	1.00			
Unchanged	1.00	1.00			
New High	1.00	1.00			
New Low	1.00	1.00			
Volume up	1.00	1.00			
Volume down	1.00	1.00			

Odd-Lot Trading in N.Y.					
Dec. 9	Buy	Sales	1985		
Dec. 10	21,700	61,800	1,620		
Dec. 11	17,800	50,500	1,070		
Dec. 12	18,000	50,500	1,070		
Dec. 13	18,000	50,500	1,070		
Dec. 14	18,000	50,500	1,070		
Dec. 15	18,000	50,500	1,070		
Dec. 16	18,000	50,500	1,070		
Dec. 17	18,000	50,500	1,070		
Dec. 18	18,000	50,500	1,070		
Dec. 19	18,000	50,500	1,070		
Dec. 20	18,000	50,500	1,070		
Dec. 21	18,000	50,500	1,070		
Dec. 22	18,000	50,500	1,070		
Dec. 23	18,000	50,500	1,070		
Dec. 24	18,000	50,500	1,070		
Dec. 25	18,000	50,500	1,070		
Dec. 26	18,000	50,500	1,070		
Dec. 27	18,000	50,500	1,070		
Dec. 28	18,000	50,500	1,070		
Dec. 29	18,000	50,500	1,070		
Dec. 30	18,000	50,500	1,070		
Dec. 31	18,000	50,500	1,070		

Standard & Poor's Index					
Class	Chg.	Prev.			
Industries	128.00	128.00			
Utilities	115.00	115.00			
Finance	127.44	127.44			
Transport	105.00	105.00			

AMEX Sales					
Class	Chg.	Prev.			
Advanced	1.00	1.00			
Declined	1.00	1.00			
Unchanged	1.00	1.00			
New High	1.00	1.00			
New Low	1.00	1.00			
Volume up	1.00	1.00			
Volume down	1.00	1.00			

AMEX Stock Index					
Class	Chg.	Prev.			
Composite	117.00	117.00			
Industries	128.00	128.00			
Utilities	115.00	115.00			
Finance	127.44	127.44			
Transport	105.00	105.00			

Dow Index Retreats From 1,500

United Press International

NEW YORK — The stock market twice broke through the 1,500-level on the Dow Jones industrial average Tuesday, but fell back just a fraction below it to close higher and set a new record in heavy trading.

Each time the Dow broke through 1,500, profit-taking blocked the popular barometer from closing at the new altitude and the Dow finally backed off slightly to finish with a gain of 2.18 to 1,499.20.

The New York Stock Exchange index closed up 0.10 to 117.72, edging past its old record, set Wednesday, of 117.70. Standard & Poor's 500-stock index rose 0.14 to 204.39, surpassing its previous record of 204.25, set Monday. The price of an average share gained three cents.

Advances outpaced declines 881-777. Volume totaled 156.5 million shares, up from 144.01 shares traded Monday.

"The market is trying to move higher," said Stephen Weissglass of Ladenburg, Thalmann & Co. He said that weakness in the oil stocks was a temporary hindrance to the market but that cheaper energy would benefit the market in general by widening corporate profit margins.

The Organization of Petroleum Exporting Countries concluded its year-end summit by agreeing to abandon efforts to prop up oil prices through production restraints.

"We think the market is going to wind up strongly above 1,500 before the year is over," Mr. Weissglass said. He said that the Dow could finish the year anywhere from 1,500 to 1,580.

Stock prices are continuing their recent upward trend, said John Smith, market analyst at Farnstock & Co. He cited new highs in Sears

and General Electric, both blue-chip issues. The market has good leadership, a solid tone, and is "resistant to selling pressure," he said.

"Sellers find buyers just a shade under the market," Smith said.

Progress on the Gramm-Rudman amendment to balance the federal budget has encouraged buying, market participants said.

Harry Vile of Sato & Co. in San Francisco said that the Dow would climb to 1,650 by the second quarter of 1986.

On the trading floor, petroleum issues dominated the active list, once again falling on fear of a global oil price war. Exxon, the most active NYSE-listed issue, fell 3/4 to 49 1/2.

In heavy volume, Phillips Petroleum fell 1 to 114. Texas Oil & Gas lost 1/4 to 14 1/4. Atlantic Richfield dropped 2 to 61. U.S. Steel lost 1 to 24 1/4. Chevron dropped 1 1/2 to 34 1/4. Mobil lost 1/2 to 29 and Occidental Petroleum declined 1 1/2 to 31 1/4. Amoco lost 3 to 60 1/2 and Royal Dutch topped 1 1/2 to 58 1/2.

Pennzoil climbed 2 1/2 to 66 1/2. Texaco edged up 1/4 to 30 1/2. When the market closed, a hearing in Houston involving a \$10.53-billion judgment for Pennzoil Co. against Texaco was in recess.

Union Carbide lost 2 to 64 1/4 after rising 3 1/2 Monday when GAF embarked on a takeover bid for the company. Union Carbide advised its shareholders to hold their shares pending further developments. GAF rose 2 1/2 to 60 1/4 after gaining 10 points Monday.

RCA (ex-dividend) jumped 3 1/2 to 53 amid takeover speculation.

Among technology stocks, market bellwether IBM finished at a new high, up 2 to 146 1/4. Digital Equipment advanced 2 1/2 to 130 1/4.

12 Month	High	Low	Stock	Div.	Yld.	PE	52	100	High	Low	Close	Chg.
A												
14%	168.50	167.50	168.00	+0.50								
15%	168.50	167.50	168.00	+0.50								
16%	168.50	167.50	168.00	+0.50								
17%	168.50	167.50	168.00	+0.50								
18%	168.50	167.50	168.00	+0.50								
19%	168.50	167.50	168.00	+0.50								
20%	168.50	167.50	168.00	+0.50								
21%	168.50	167.50	168.00	+0.50								
22%	168.50	167.50	168.00	+0.50								
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Cash Prices

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24.90	24.90	24.00	24.90	26.50	26.70
25.45	24.00	23.50	24.00	25.70	25.85
N.Y.	N.T.	23.00	23.80	25.00	25.35
N.T.	N.T.	22.60	23.60	24.20	24.40
N.T.	N.T.	21.40	21.40	24.20	24.40

[illegible]

Net Yield: 8.94 %

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Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

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EC's Sweetened Bid Rejected by Plessey

Reuters
LONDON — Plessey Co. rejected Tuesday a takeover bid from General Electric Co. of Britain, which formally announced Monday an offer that appeared slightly higher than last week's initial offer of £1.18 billion (\$1.75 m).

Race to Buy Flick-Held Stake

Reuters
NEW YORK — W.R. Grace Co. said Tuesday that it had agreed to repurchase 13.62 million shares of its stock from Deutsche Bank AG for \$595.9 million, or \$43.75 a share.

Flashing Costs at American Airlines

(Continued from Page 9)

Most of the airlines that sprung up since the industry deregulated in 1978 have relied too small to give American a hard time. "American has a domestic route where they have much direct, low-cost service," said Jessica Gallia, an analyst with Epler, in & Turner, a regional broker in Dallas.

American has been quite successful in filling most of the 60 seats on the 1,300 flights it aloft every day. But Mr. Gallia clearly worries that this change. "Our strategy takes a cost, new entrants like People's Express and Continental very easily," he said. "If we must, we will have to compete with them. We simply must have costs."

Crandall warned company managers in October that, despite aggressive marketing programs, American was losing some customers to Southwest, Braniff, People's Express and Continental. To fight early this year American launched the Ultimate Super Saver, which makes a limited number of seats available at discounts ranging from 40 percent to 85 percent. In 1981 the company originated widely copied Frequent Flyer program, which rewards repeat travelers with free trips and hotel merchandise discounts.

American also initiated the drastic-cutting during the recent giving weekend that raised ticket loads close to a profit of 75 percent, up from what American said would otherwise have been a money-losing 40 percent.

American said Tuesday that it offered discounts averaging 75 percent to 80 percent on round-trip tickets, Christmas Day, Dec. 26 and 27. Reuters reported from New York that the cut-rate fares range from \$49 to \$99, depending on the length of the flight.

Monday. Shares of General Electric, which is unrelated to the U.S. company of the same name, closed at 172 pence, unchanged. Dealers said many investors were waiting for improved terms.

Plessey, which had turned down last week's offer, did likewise with Tuesday's bid.

"The offer is unwelcome and palpably inadequate in form and substance," Plessey said. It said its directors had voted unanimously against the GEC approach, and had urged Plessey shareholders to ignore it.

On Monday, GEC clarified its bid intentions with terms consisting of 320 pence cash plus one GEC ordinary share and 160 pence nominal of GEC 7 1/2 percent convertible loan stock for every four Plessey ordinary shares.

In its statement Tuesday, Plessey said GEC was bidding to gain access to Plessey's technologically advanced businesses, although Plessey had already said it would like to combine with GEC's telecommunications interests on the right terms.

GEC rejected last week the telecommunications proposal, under which Plessey would acquire GEC's interest in the production of System X digital telephone exchanges. Plessey also makes System X exchanges.

Plessey said Tuesday that it would be willing to continue discussing a combination of their respective telecommunications interests despite the unwelcome bid launched by General Electric.

Plessey is GEC's biggest British rival. General Electric ranks eighth in the world among telecommunications manufacturers in terms of sales; Plessey is 11th.

Texaco, Pennzoil Lawyers Negotiate Over \$10.5-Billion Damage Award

Compiled by Our Staff From Dispatches

HOUSTON — Lawyers for Texaco Inc. and Pennzoil Co. said Tuesday that they had been negotiating over a \$10.5-billion award to Pennzoil by a jury last month.

The lawyers spoke at a hearing before Texas District Judge Solomon Case Jr., who is to decide whether to affirm, overturn or reduce the damages against Texaco for interfering with a Pennzoil merger with Getty Oil Co.

In White Plains, New York, Texaco's board adopted a takeover defense meant to make an acquisition of the company prohibitively expensive to an unwelcome bidder.

In Houston, a Texaco attorney, David Boies, told the judge that the companies had been meeting over the past two days but had been unable to reach agreement. A Pennzoil lawyer, Joe Jamail, said, "We met with them for days and most of last night."

In court, the Texaco lawyer argued that the filing of liens by Pennzoil "would, we are advised, put Texaco into a credit position where it would be required to seek Chapter 11 protection" under U.S. bankruptcy law.

COMPANY NOTES

Automobiles Citroën's consolidated net loss in 1985 should be less than half of last year's 1.93-billion-franc (\$250-million) loss, according to Jacques Calvert, chairman of Citroën and its privately owned parent, Peugeot SA. He said the automaker has a "serious chance" of breaking even in 1986.

Che-Gelby AB, the Swiss drug company, has been granted a license by Kyowa Hakko Kogyo Co. of Japan to develop and market human gamma interferon in Europe and the United States. Kyowa Hakko developed the interferon, which is being tested against tumors.

De Pont (Australia) Ltd., a wholly owned subsidiary of Du Pont Co., said it will enter a pesticide joint venture with the Australian government's Commonwealth Scientific and Industrial Research Or-

ganization. The new company will make and market pesticides invented by CSIRO.

Flint Spa is negotiating a package with the Soviet Union covering cars, diesel engines and tractors, the Soviet ambassador, Nikolai Lukov, said in Turin, Italy.

Ford Motor Co. and **Mando Machine Corp.**, an auto parts maker, are scheduled to sign Thursday a joint-venture contract to produce radiators in South Korea. Production is scheduled to begin in early 1987 at a plant to be built in Pyong-tak.

Honda Motor Co. of Tokyo rejected a U.S. government statement that its Accord and Civic models in the 1979 to 1981 years could have defective front-seat belts that may not retract. A senior Honda official said the automaker had begun talks with the U.S. Transportation Department on the belts.

Lufthansa AG, West Germany's government-controlled airline, said it has set up a software and information-technology joint venture with Psi Gesellschaft fuer Prozess-steuerungs-und Informations-sys-

Japanese Machinery Orders

Reuters
TOKYO — Japan's private-sector machinery orders, excluding ships, rose 25.9 percent in October to a seasonally adjusted 681.92 billion yen (\$3.4 billion) from 541.70 billion in September, when they fell 12.7 percent from the previous month, the Economic Planning Agency said Tuesday.

Carbide May Not Be a Poor Target

By Stuart Diamond

New York Times Service

NEW YORK — On its face, Union Carbide Corp. appears to be a poor target for the takeover proposed Monday by GAF Corp. and its chairman, Samuel J. Heyman, according to Wall Street analysts.

Union Carbide is facing billions of dollars in claims as a result of the gas leak at Bhopal, India, last year that killed about 2,000 people. The company is also beset by a 45-percent drop in petrochemical earnings this year, losses in other businesses and estimates that it will end 1985 with a loss equal to \$3.50 a share after write-offs and other costs.

But a sampling of analysts who follow Union Carbide indicates that there may be more to the

transaction than meets the eye. Although the company may now only be worth something near the \$68 a share that GAF is offering, the analysts said Monday, a new management could prune more excess workers, sell high-value assets, deepen Union Carbide's program of restructuring and take other actions to bring its value up to \$90 a share or more — a multibillion-dollar increase.

"Carbide is fat, and a lot of people think it has been mismanaged for years," said Charles J. Rose, an analyst for Oppenheimer & Co., reflecting comments by most other analysts.

But most also pointed out the risks, including the Bhopal claims. Sources involved in the case said lawyers representing the victims would file motions opposing any attempt to sell Union Carbide assets that could be attached by the court to satisfy claims. That could hamper GAF's efforts to absorb the larger company, analysts said.

There are also questions of whether some of Union Carbide's assets, such as its polyethylene operation, are overvalued in the face of the industry's intense competition. One of the most critical analysts, Anantha K. Ramana of Paripany, New Jersey, said Mr. Heyman should have made his offer last summer, when Union Carbide stock was selling at \$50 a share. It closed Tuesday at \$64.375, down \$2 from Monday's close on the New York Stock Exchange.

Now, Mr. Ramana said, Mr. Hey-

man may simply become chairman of a larger company with many problems.

Neither Union Carbide nor GAF officials would respond to questions on such matters, but people familiar with GAF operations said Mr. Heyman would preserve enough assets to satisfy the court and would still be able to sell some.

They also said Mr. Heyman believes that, whatever the outcome, he and GAF stockholders will profit handsomely from the takeover bid, since it has resulted in major increases in the price of their stock holdings. Analysts said that GAF holds seven million shares of Union Carbide stock bought at an average of \$51 apiece and that Mr. Heyman owns about 25 percent of GAF. That would make Mr. Heyman's personal profit, on paper, more than \$2 million so far.

Union Carbide's lack of reaction so far compounds the uncertainty. "Sam Heyman has sunk his teeth into a very big animal that is worth a lot," said Mr. Rose of Oppenheimer. "The question is: Is the animal going to bite him back?"

Last summer Union Carbide announced a major restructuring aimed at improving its balance sheet, streamlining its operations and lifting its stock price. Analysts said those moves would strengthen the company and make a takeover more expensive and difficult.

"Carbide is turning itself around, but it may be too late," said Garo H. Armen, an analyst at E.F. Hutton & Co.

Crude Prices Decline \$2 In Sell-Off

(Continued from Page 1)

limit of \$1.50 a barrel while gasoline fell in the cash market by 2.75 cents a gallon.

Analysts said Tuesday that OPEC's threat to maintain or boost its output from level of around 17 million to 18 million barrels per day was likely to cause further price declines, regardless of OPEC's claims that it was not spoiling for a price war.

Jeremy Elden, an analyst with the London stockbroker Phillips & Drew, said prices would be weak in the next month or so and could ultimately fall below \$20 a barrel if OPEC kept its output at 18 million barrels a day, which ministers have implied they would do.

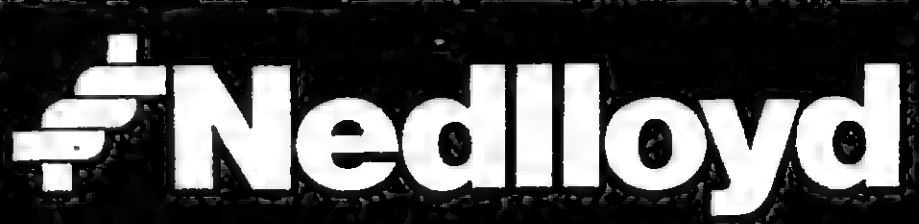
Many delegates to the OPEC meeting had expressed misgivings about how the market would react to the policy change.

"It's a risky game," a senior delegate said Monday night. "We might cause a price war. We might lose."

In London, government officials said that Britain has "no intention" of bowing to pressure from OPEC to cut back its North Sea output of about 2.7 million barrels a day.

Energy ministry officials said no change was planned in the policy of allowing North Sea producers to set their own output levels.

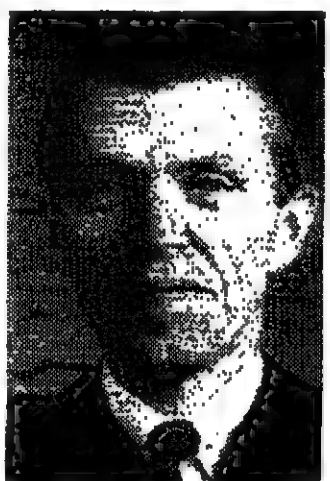
(Reuters, IHT)



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Robert L. Crandall

years to come. United will become a major international carrier next year when it picks up an estimated \$800 million in revenue from the Pacific routes it bought from Pan American World Airways — routes that some analysts say American should have gone after. In addition United announced last week that it would establish a hub at Dulles International Airport outside Washington, D.C.

For now, American is more than holding its own. It earned \$314.2 million after taxes in the first nine months this year, compared with a full-year 1984 total of \$233.9 million.

American, which moved its headquarters from Manhattan to a rolling field south of Dallas-Fort Worth International Airport in 1979, had more than triple the industry's average net profit margin for the first half of 1985, earning 7.94 cents on every dollar of revenue, compared with 2.13 cents for the industry as a whole.

Still, if United's bold and risky acquisition policy of the last few years turns out to be successful, it could inflict deep wounds on American. When the Department of Transportation last month approved its \$750-million purchase of the Pacific routes, UAL Inc., United's parent, acquired a commanding high road to Asia in one stroke.

In August, UAL had acquired Hertz Corp. from RCA Inc. for \$587.5 million.

UAL is betting that by packaging United, Hertz rental cars and UAL's profitable Westin Hotels, it can lure business travelers through all three units on the same trip.

"United is spanning the globe with a travel-service concept," said Kevin C. Murphy, an airline analyst with Morgan Stanley & Co. "It will dilute their earnings in the short-run, but on paper they seem to have the better strategic plan."

Mr. Murphy added that "if the United plan fails, which could happen if there is a recession in 1987 or 1988, America's keep-it-simple format will end up being the smarter of the two." But if it succeeds, he said, by 1990 United "could be the only game in town."

Mr. Crandall, American's chairman, bitterly opposed United's acquisition of the Pan Am routes and led a fruitless campaign to get the Department of Transportation to overturn the United bid.

He is trying to build traffic in the few places abroad where American does fly: Western Europe, the Caribbean and Mexico. The company has just announced plans for a new hub in Puerto Rico, and has applied to fly directly from Dallas-Fort Worth to Tokyo, which would be its first destination beyond Hawaii. Japan has not yet granted the authority.

Wesley G. Kaldahl, senior vice president for airline planning, says the carrier wants to add between two and four European routes a year. It has already scheduled new routes to Frankfurt, London and



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English Children: Images, Reflections

International Herald Tribune
LONDON — Two faces of English childhood confront us. One stares brightly out of the glow of soccer's tragic year. The other we are not permitted to see and may wish to pretend is not exist.

The face we see is pretty in the young Nadia Conanucci, on the smile, was pretty. It belongs to 10-year-old Joanne Baron.

ROB HUGHES

o, at her first soccer game, ran into the Bradford stadium last May 11 to save an old friend. Joanne Baron, 10, was the star of Tuesday's Times. On page 2, another photograph reminded us of the unforgettable — Bradford's hero who killed 56 soccer players.

That toll might easily have doubled but for the selfless courage of people — from Joanne to a 71-year-old pensioner — who were murdered Monday night by the a's chief constable.

On Page 3 of the same issue of Times, a stark headline read: "Police Told Adults Were Terrorized by G.D. 8."

The story concerned a child on a London housing project said to have squirted bleach into the eyes of an 85-year-old resident.

The old lady's sight has been lost, but neighbors suggest she is not returning to her single-room home where the "evil" 8-year-old had previously stabbed her, beaten her head with wood and smashed some of her belongings.

The three-foot terror apparently is wild, threatening adults in language and saying she would lead her dog on them.

What has that to do with sport? More, no less than the inner-city football that plagues England. A society on the run from its inner-city children — unable to proceed a minor, unwilling from government on down to do more than miss them as a tiny minority —

ters the roots of a violence that echoes itself to its national game. So, in the same month as the Bradford fire, we are shocked by Brussels stadium massacre in which mainly English supporters of football caused the deaths of 39 spectators.

England is, therefore, rightly, outcast of European soccer, not by massive police presence, switching matches that might risk clashes of rival gangs, by forcing stadia.

The wonder is that decent folk, possible parents, still consider

soccer a suitable entertainment to which to take their families. That some do — and thank heavens for them — is the week's more uplifting story.

From the same country that produces the football, there is Joanne Baron. She received her certificate on Monday with a heavily bandaged hand, on which burn scars will be with her for life.

Yet, in a higher division (for May 11) was a celebration of Bradford City's promotion to Division 2, the team plays its "home" matches on other people's grounds.

Its own misunderstandings struggle is a small example of the will to go on and, yes, the bravery to surmount uncertainties.

It is, of course, a different kind of bravery from that which prompted West Yorkshire Chief Constable Colin Sampson to say:

"I was so proud to see the wonderful way that police and public alike, with utter disregard for their own safety, went back into that inferno again and again to pull people to safety."

Like most of the others who were cited, Joanne said she did not consider herself brave at all. She acted without thinking.

Had it been a courageous thing to do? "No, not really."

Did she consider the danger from the flames? "No, not at first. I just saw the man."

Her citation describes how she became separated from her family in the main stand. Flames were close and thick smoke made breathing difficult.

She was dragged along by the crowd and, seeing an opening, dashed through.

At that moment she saw the elderly man fall down steps. She climbed over seats and helped him to his feet.

But he fell again, knocking Joanne over. Her legs became burned, but eventually she dragged the man down to a wall. Police pulled him and then Joanne onto the soccer field.

Her open if shy manner indicates that Joanne has overcome the experience as well as her mother says she has.

"We are only just appreciating," says Kathleen Baron, "the bravery she showed. We can't describe how we feel. It's almost unbelievable."

Thousands of words have been written about the bad, thousands more will have to be written in the future. But for once the pages of our newspapers have been held up to the better face of soccer support, and for once the tiny minority is the one that makes pleasurable reading.

But linebacker Glenn Cameron summed it up in the winners' locker room: "Great game on Rafferty," he shouted to Krumrie.

"Krumrie, Rafferty reported," said, "... Krumrie, Krumrie — I'm not sure."

Krumrie is 6-foot-2 and 262 pounds (1.87 meters, 118.8 kilograms); Rafferty, also in his third season, is 6-foot-3 and 259.

Krumrie, who had nine individual tackles, assisted on two others, forced one fumble and recovered another, looked for his tongue-tied opponent after the Riverfront Stadium debacle. "I was going to say something to Rafferty," said Krumrie, "but he went to the locker room. I was just going to tell him my name. I'm not a smart aleck — I would have just told him my name, that's all."

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Krumrie is 6-foot-2 and 262 pounds (1.87 meters, 118.8 kilograms); Rafferty, also in his third season, is 6-foot-3 and 259.

Krumrie, who had nine individual tackles, assisted on two others, forced one fumble and recovered another, looked for his tongue-tied opponent after the Riverfront Stadium debacle. "I was going to say something to Rafferty," said Krumrie, "but he went to the locker room. I was just going to tell him my name. I'm not a smart aleck — I would have just told him my name, that's all."

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Joanne Baron
... I just saw the man.

One by one, the other heroes of the Bradford fire heard the unbelievable.

Their citations restore all faith in the sharing that is part of attending a sporting occasion, the trust that the person standing or sitting beside you cares.

There is Julie Holt, 21, whose hair was smoldering as she worked to free a boy trapped in a tunnel. And her boyfriend, Paul Menzies, who rescued a man burning from the legs up and then returned to help her out of the stand. Menzies later collapsed from smoke inhalation.

There is Ronald Woodcock, 71, whose coat had shriveled in the heat and whose ears and hands were burning — but who battled to get an elderly, infirm relative out of the blaze.

There are 28 police officers, so often the host of the sadnesses that for too long has been accepted as an inevitable part of crowd behavior, who went through the smoke and fire again and again to drag out the injured.

And they are the ones whose acts can be documented.

There are, says the chief constable, upward of a hundred others whose courage simply cannot be detailed or rewarded.

This is a time to be thankful that sport also attracts the better side of human nature.

Thousands of words have been written about the bad, thousands more will have to be written in the future. But for once the pages of our newspapers have been held up to the better face of soccer support, and for once the tiny minority is the one that makes pleasurable reading.

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Balance of Talent and Tradition Keeping ACC Strong

By Barry Jacobs
New York Times Service

NEW YORK — John Salley had proudly worn the baseball cap celebrating his basketball team's Atlantic Coast Conference championship as he passed through an Atlanta hotel lobby and ascended a staircase. But as the Georgia Tech forward reached the room where a press conference was about to begin, he paused to bare his head.

Salley was under orders from his coach, Bobby Cremins, to avoid accentuating the fact that Tech's matchup with Syracuse in last winter's National Collegiate Athletic Association Tournament was also a matchup between two of the nation's proudest conferences, the Big East and the ACC. "I guess he didn't want to see any gas thrown on the fire," said Salley.

As it turned out, Tech's defeat of Syracuse was the only ACC triumph in games against the Big East, which went on to place an unprecedented three teams in the tournament's final four.

Yet even that showing by the Big East did not dispel the widely held belief that the 33-year-old ACC is the pre-eminent college basketball league, an impression bolstered by the current news-agency polls.

Three ACC members — Tech, North Carolina and Duke — are ranked among the top six in the nation this week.

What continues to set the ACC apart is a tradition of excellence that dates from the league's founding in 1954, shortly after North Carolina turned Frank McGuire from St. John's to compete with Everett Case's powerful North Carolina State squad.

During the last decade, ACC teams were ranked among the top 10 in the final Associated Press and United Press International polls more often than teams from any other conference. During that

span, six of the ACC's eight members finished seasons ranked in the top 10. No other conference enjoyed so thorough a representation. And a seventh ACC squad, unranked North Carolina State, went on to win the NCAA title in 1983.

Over the same period the ACC led major conferences in supplying first-round National Basketball Association draft choices. And since the 1974-75 season, when the NCAA tournament began allowing more than one team per conference, only schools currently affiliated with the Big East (founded for the 1979-80 season) have appeared more often than ACC members.

That's not to say the ACC faces best in head-to-head competition with other leagues.

Big Ten teams have won six of 10 meetings with ACC squads since the NCAA tournament field expanded, and have won three national titles (Indiana, 1976 and 1981; Michigan State in 1979) to two by the ACC (North Carolina in 1982, and N.C. State). The Big East, whose members are 8-3 in NCAA play against the ACC over the past 11 seasons, has also won two national crowns (Georgetown, 1984; Villanova, 1985).

Dean Smith has coached 25 years at North Carolina, and in 1985 he may have his best-ever blend of flexibility, size, experience and depth. The Tar Heels returned five starters from last season's 27-9 team; four starters at least 6-foot-10 (2.08 meters). The backcourt is led by veterans Steve Hale and Kenny Smith and by freshman Jeff Lebo, last year's top high school player in most rankings.

Such strength is nothing new. North Carolina is the only team in the nation to have appeared in the NCAA tournament every year since 1975. Over the last nine seasons it has made it to the final three times; during that stretch, four other

ACC representatives appeared in the final four, giving the conference more such berths than any other.

Meanwhile, within the league itself, competition has quickened, with the regular-season race resulting in a tie in three of the past four years after only four ties in the previous 28 seasons.

Televised since 1957, and in an

area where few strong football teams or pro sports compete for fan allegiance, ACC basketball pervades public consciousness from Maryland south.

"I've never seen people quite so fanatical about their sports," said Hale of Carolina, who grew up in Oklahoma.

"It never seems like there's a waning of attention," agreed

Duke's coach, Mike Krzyzewski, who professes amazement at radio call-in shows in July devoted to basketball recruiting.

Raised in such an atmosphere, top players in the area rarely stray far when deciding where to attend college. And ACC excitement and tradition remains a key element in the television marketing of college basketball nationwide.

Duke boasts five players from outside the region, most notably its two 6-8 senior forwards — Mark Alarie of Arizona and Californian Jay Bilas. All-America guard Johnny Dawkins and David Henderson, a 6-5 swingman, round out a senior class that led the Blue Devils past Kansas in the recent championship game of the inaugural preseason National Invitation Tournament.

Before it can challenge for a national title, Duke must get past ACC rivals North Carolina and Georgia Tech, the latter the preseason choice in most polls to win the NCAA crown.

But in the early going, while Duke flourished in the NIT and North Carolina won the Great Alaska Shootout, Tech has struggled. Matched against highly ranked Michigan on Nov. 30, the Yellow Jackets missed 69 percent of their shots, committed 19 turnovers and lost by 5 points.

"We just played real poorly," said Cremins. "I just think we were caught up in the preseason trap. I knew the publicity was a trap, but it was an avoidable trap."

The publicity was generated by a rise that has been little short of meteoric. In 1981, the year before Cremins arrived in Atlanta, Tech was 4-23. By last season the Yellow Jackets had earned their first ACC tournament title and the second NCAA bid in school history, defeating Mercer, Syracuse and Illinois to reach the East regional final against Georgetown.



David Henderson, driving for two against Kansas in the NIT final.

SCOREBOARD

College Top 20s

The top 20 teams in the Associated Press college basketball poll (first-place votes, best record, best win-loss ratio).

Rank	Team	Record	W-L	Pct.
1.	North Carolina (47)	44	1281	1
2.	Michigan (12)	44	1142	2
3.	Duke (4)	44	1142	3
4.	Syracuse	44	1108	4
5.	Georgia Tech (11)	41	1062	5
6.	Georgia Tech	41	1062	6
7.	Kansas	41	1062	7
8.	Kentucky	41	1062	8
9.	Indiana	41	1062	9
10.	Louisville	41	1062	10
11.	Louisville State	41	1062	11
12.	Alabama State	41	1062	12
13.	Memphis State	41	1062	13
14.	St. John's	41	1062	14
15.	Louisville	41	1062	15
16.	Ala.-Birmingham	41	1062	16
17.	North Carolina	41	1062	17
18.	Indiana	41	1062	18
19.	Ohio State	41	1062	19
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The UP's top 20 college basketball poll (first-place votes, best record, best win-loss ratio).

11. Texas A&M (5-2)	176 31
12. Arkansas (19-2)	146 12
13. UCLA (24-7)	130 13
14. Alabama (5-9-1)	106 14
15. Auburn (8-3)	74 15
16. Florida State (8-3)	71 17
17. Ohio State (5-3)	58 16
18. Fresno State (10-4-1)	42 18
19. Oklahoma State (5-3)	41 x
20. Arizona (5-3)	18 20
(Z-untreated)	

(By agreement with the American Football Coaches Association, teams on NCAA or conference probation and barred from bowl games are ineligible for top 20 and national championship consideration by UP. Those

